

preceding—normal as well as abnormal—should be taken up for calculation of rental values.

“Proximity of markets” has to be understood in a quite different sense from the urban interpretation. In the majority of cases the distance between a village and the neighbouring town is short as the crow flies, but on account of uneven relief of the land, interruption by rivers or brooks or the monsoon rains, the cost of transshipment of produce is much more prohibitive than is ordinarily imagined. “Transport facilities” would be perhaps a more correct test than “proximity of markets”. While judging the “trend of prices” the settlement officer generally has access to capitalist prices at which outsiders buy agricultural produce. This leads to a miscalculation unfavourable to the landholder. To the latter, “prices” connote the rates at which he disposes of (or rather which he is credited with) his goods to local moneylenders to whom he is indebted. And these rates are really much lower than the published or quoted prices. It is the occupant of land that has to pay the assessment and so it stands to reason that prices realised by him (not by the capitalist moneylender or trader) should be ascertained by the settlement officer. In the Mysore Malnad it was found that the urban prices of arecanut and cardamon in 1925 were on the average Rs. 14 and Rs. 105 per maund (24 lbs.) while the rural prices (realised by the growers) were about Rs. 10 and Rs. 75 respectively. (In the case of cardamon the bleaching process costs a small amount—not more than Rs. 2 per maund—and this is borne by the urban seller, the agriculturist selling unbleached cardamon).

“Results of crop experiments” reveal only the potentialities of the soil, not its actual yield. And the factor to be considered in this connection is the extent to which the element of enterprise effectively

STUDIES

IN

INDIAN RURAL ECONOMICS

BY

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BVCL 08126



333.51954

191S

Published in Great Britain

by

P. S. KING & SON, LTD.

Orchard House, 2-4, Great Smith Street, Westminster.

LONDON S. W.

1927.

15 SHILLINGS

RUPEES EIGHT.

PREFACE

The chapters on Indian Rural Economics contained in this volume, have been remodelled upon a series of articles contributed by the author over the past one year to the columns of the *Statesman*, the *Times of India*, the *Pioneer*, the *Indian Daily Mail*, the *Mysore University Magazine*, and the *Hindu*. A good bulk of the material was collected in the course of the Economic Survey of the Mysore Malnad; and while purely local matters referred to or dealt with in his Report to the Government of Mysore have been eschewed, the possibilities of putting in the hands of the Indian and the British public and the student world a concise volume comprising his main findings and suggestions on rural matters (so kindly emphasised by Sir Albion Rajkumar Banerji, lately the Dewan of Mysore) have been attempted by the author in these pages. The views expressed here are wholly from the university study room (though based upon firsthand investigations on the spot) and it may be clearly stated in the very opening paragraph that no sort of comment is meant on any of the Governments in India. The author would feel amply rewarded if this little book should induce Indians and the world at large to think more seriously of the rural side of Indian life, if our rural economic conditions should find more attention at the hands of our Universities and Legislatures.

The Punjab has led the way—thanks to the untiring efforts of pioneers like Messrs. Darling, Calvert and Myles—in making available scientific pen-portraits of rural life of that part of the country, and on the basis of the Punjab publications and his own investigations the author believes that, numerous as the superficial differences are as among the rural tracts in the different provinces and States, the Indian ryot's present condition is fundamentally the same over almost the whole of the country.

It is not possible to adequately express the debt the author owes the Government of His Highness the Maharaja of Mysore on account of the invaluable moral support given by them (quite apart from the very liberal material grants made by them

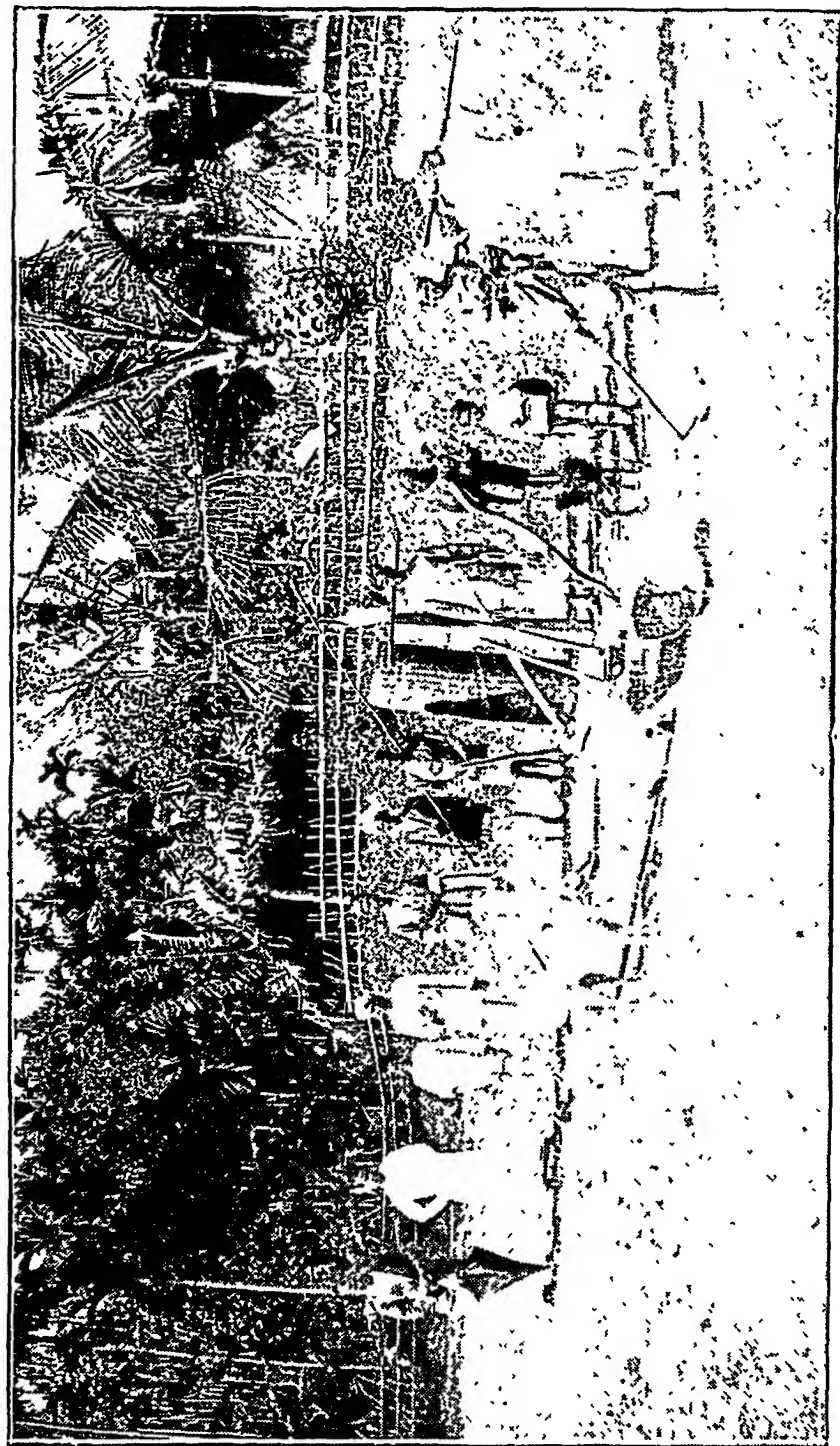
of the requirements of the Economic Survey) to the cause of social advancement: it is the bare truth to say that in the Mysore State—as in many another part of India—the Government is strenuously and laudably trying to lead public opinion along the path towards maximum social welfare.

In their No C 1-50 Sany. 17-26-1 dated October 11, 1926, the Government of Mysore have passed orders on three of the suggestions made, namely, the inauguration of district land mortgage banks, the enacting of an Agriculturists' Relief Act and the institution of a Record of Land Rights. It is earnestly hoped that very soon they will find it possible to take up more of the measures proposed (on the basis of the Economic Survey) for the augmentation of social welfare.

Thanks are due to the concerned Journals for having kindly permitted the author to utilise the special articles published in their respective columns, for the purpose of this book. Medical examination in connection with the Economic Survey, was conducted by Messrs. M. Rama Rao, L.M. & S., and Basil L. D'Costa, L. M. & S., Assistant Surgeons, Mysore Medical Service; and in the study of agricultural processes and costs Mr K. Nagappiah of the Mysore Agricultural Service was of much help. To these officers with whom the author had the privilege of working but a short time, his warm acknowledgements are hereby made. Messrs. Mahomed Mir Khan, B.A., (of the Hyderabad Civil Service) and N. G. Muthanna (of the Junior, B.A., class) took considerable pains in scrutinising the proof slips: to them, and specially to Mr. K. Burnett, M.A., (Oxon.), Principal of the Nizam's College, for so kindly going through the final proofs, the author is grateful.

S.KESAVA IYENGAR.

Department of Economics,
H. E. H. The Nizam's College,
January 15, 1927.



A well-maintained Malhad Farm : observe the implements and accessories used by the gardeners, and shown in the picture.

ILLUSTRATIONS.

—:o:—

1. A Well-kept Malnad Garden Frontispiece.
2. A Government Well in the Malnad .. Facing page 21.
3. An Indigenous Type of Agricultural
Labourer in the Mysore Malnad .. Facing page 121.
4. A Below-Ghat Type of Coolie Woman
with her Child Facing page 127. . .

Correction Slip.

“STUDIES IN INDIAN RURAL ECONOMICS”

Page 74, line 6, omit the last two words “to Britain”.

S. KESAVA IYENGAR.

The Nizam's College, Hyderabad (Dn.),

August 6, 1927.

CONTENTS.

Chapter	Pages.
I ECONOMIC ENQUIRY	1-8
The Visvesvaraya Committee's Report ..	1-5
The Bombay Chamber's Memorandum ..	5-8
II RURAL ECONOMIC SURVEYS	9-18
The Necessity of Correct Data	9-12
How they Should be Carried out	12-15
Agency and Methods of Work	15-18
III AGRICULTURAL HOLDINGS	19-37
Importance of Underground Water	19-21
Causes for Excessive Fragmentation ..	22-25
How to Avoid Excessive Fragmentation ..	25-29
Land Revenue Assessment--The Todhunter Committee's Proposal	29-33
Incidence of Land Revenue Assessment. ..	33-37
IV AGRICULTURE AND FUTURE POLICY	38-56
Rural Progress in India	38-41
Shall we Produce to Export ?	42-45
Science and Indian Agriculture	45-49
Agriculture and Industry : comparative Advantages	49-52
" Surplus " Cattle to be Dispensed with ? ..	52-56
V FORESTS	57-64
Indian Forest Problems	57-59
Forest Management and Indian Agriculture	59-64
VI TRANSPORT	65-72
Importance of Rural Transport	65-67
How Improvements should be Possible ..	68-72
VII TRADE	73-81
External Trade of India	73-76
Trade in Rural Tracts	76-81

Chapter	Pages.
VIII CAPITAL	82-97
Indian Capital Needs	82-85
Rural Indebtedness in India	85-88
The Punjab Regulation of Accounts Act. ..	88-92
Land Mortgage Banks	92-97
IX RURAL LIFE IN INDIA	98-112
Census of India, 1921	98-103
Standard of Life in Rural India	103-108
Life among Untouchables.	108-112
X LABOUR	113-132
Greater India !	113-116
Agricultural Tenants	116-121
Mysore Planters and Estate Coolies ..	121-125
Agricultural Wages in India	125-128
Urgency for Legislation	128-132
XI EDUCATION	133-150
Need for Reform	133-137
Secondary Education : Some Suggestions	137-146
Unemployment in India : Functions of the University	146-151
XII RURAL RECONSTRUCTION	151-161
How the Problem Arose	151-153
Mysore Leads	153-157
The Mysore Village Panchayat Act.. ..	157-161

APPENDICES.

	Pages.
I The Processes of Cultivation and Average Expenses of Production, and Yield of Important Malnad Products.	1-8
Paddy Cultivation	
Areca Cultivation	
Coffee Cultivation	
Cardamon Cultivation	
II Area under Crops and Specification of Crops during 1922-23, in 1i Malnad Taluks ..	9
III Average Prices of Important Malnad Products during the past Twenty Years Annually ..	10
IV Details of Areca Trade Transactions	11
V Malnad Population Figures	12
VI Thirthahally Sub-Registry Office Figures ..	13
VII Manjarabad Sub-Registry Office Figures ..	14
VIII Syllabus for a Course of Ten Lectures on Rural Economic Conditions.. .. .	15-18
IX Report on Economic Conditions in the Malnad, submitted to the Government of Mysore— Extract from	18-28
X Draft Bye-Laws for District Land Mortgage Banks (extracted from the Report of the 1925 Committee on Malnad Improvement) ..	29-34

CHAPTER I.

ECONOMIC ENQUIRY.

The Visvesvaraya Committee's Report.

The Visvesvaraya Committee have done a great service to the country by affirming that the evolution of a suitable policy in economic matters does require a scientific collection and compilation of data. All sorts of explanations and interpretations have been given for rural conditions in India, real and imagined, and the matter of fact is that more disservice than service is being done by such writings to the cause of economic progress in this country. Prof. Burnett Hurst and the Indian members really differ, not with regard to the necessity for economic investigations: but with regard to the machinery and organisation to be employed for collection of statistics and the kind of statistics to be collected. This difference appears to be the result of an omission on the part of the Committee: having undertaken the responsibility for suggesting procedure the Committee ought to have taken up some one urban and some one rural area and spent some of their time in studying actual conditions and current methods of collecting statistics, and in attempting verification of Government returns here and there by first-hand investigation. At any rate, a rural area ought to have been taken up by them—not for an exhaustive survey but to appreciate the actual tendencies and methods, because mere evidence offered by witnesses could have taken them no further into the problem than any other student depending upon printed literature and hearsay: with regard to urban returns it is probable that some of the members were closely familiar with the procedure adopted with regard to returns dealing with

such areas. For instance, Sir M. Visvesvaraya and Pandit Kaul think that figures with regard to crop reporting, etc., are fairly accurate: Mr. Burnett Hurst thinks that the existing data on such heads are useless because they are highly unreliable. Personal experience during an Economic Survey in Mysore leads to supporting Mr. Burnett Hurst's view.

The majority say that wherever there is a subordinate revenue agency for the compilation of agricultural statistics no other agency can be usefully substituted for it. There seems to be more reason in the opposite opinion held by the secretary: my studies lead me to believe that while the co-operation of all departments alike should be invited, the Revenue Department should have nothing to do directly with the collection of economic statistics. -

One aspect of the subject which does not seem to have been given sufficient attention to is that a common standard should not be applied to urban and rural areas while judging upon or drawing inferences from figures with regard to them—leave alone the entire inadvisability of comparing Indian figures with Western or American figures. In some respects Nature assists and in others she opposes man's economic well-being in rural India, and this to a much greater degree than in towns. Therefore, collective income translated into money terms ought to be estimated for both villages and towns before arriving at *per capita* figures. And then, economic welfare depends not merely upon income *per capita* (even derived after taking into account collective income) as such, but upon its relation to the cost of living.

The Committee recommend that the Indian States should be invited to inaugurate similar inquiries and to furnish the information to the Central Director of Statistics. This is a point on which the

Government of India as well as the Committee do not seem to have realised the true necessities of the country. Economic statistics have no politics about them, and the aim of all parties in getting at them is to understand the *status quo* in order to be able to proceed further confidently. If the necessity for economic investigations in British India is accepted, the necessity for the same in Indian States cannot be denied. And for the sake of the welfare of the country as a whole it is the bare duty of the Government of India to arrange for enquires in *all* parts of India if they are going to have any enquiry at all. They have done it with regard to the decennial Census of population, and they can do it with regard to other economic statistics. We are not concerned here with the way in which such enquiries should be made to be held in all Indian States, but the serious dangers arising out of mistaking the part for the whole cannot be exaggerated. Let us take agricultural statistics. There is a separate volume issued as for "some Indian States" covering 58 per cent. of the area of all the States put together. And then the Director adds in the body of the returns that out of this 58 per cent. about a half does not send any returns on account of its being jagir, zamindari, samasthan or something of that sort. Thus the statistics, in their unscientific condition, deal only with 28 per cent. of the area of Indian States. Yet in all literature on agriculture in India the more general figures quoted are of British India only ("India" being talked of all the time), and less often the fractional figures for the States also are included. To repeat my criticism with greater stress, "British" India is all right in politics, but in economics the time has come when the Government of India should no longer content themselves with this sort of artificial distinction between British and Indian India. "Production of the country"—How are you going to gauge it unless *every* State and estate sends up its

figures? You can never expect *every* State to respond to your rather expensive and often awkward "invitation."

While on certain minor points Professor Burnett Hurst appears to me to know more about rural conditions here and difficulties in gauging them, the psychology underlying his general attitude seems to me to be a pessimistic one. Progress of a society in several directions is always reciprocal: progress in one acts on that in another and *vice versa*. But the Professor wants a change in the attitude of the people before taking to anything like an economic survey as carried on in England. His opinion that people are suspicious about any enquiry and their illiteracy does not allow them to appreciate the importance of such investigations and to co-operate in making them accurate and successful, does not seem to me to be correct. In Mysore I surveyed intensively nine villages and extensively three Districts: the people of the locality were said to be backward and uncivilised. Yet I found the people quite intelligent enough to understand their own interest when explained. Out of nearly six hundred families which I examined in detail with regard to health, debts, income, expenditure, etc., etc., only one man was sullen even after explanations, but he came round on further persuasion: several heads of families came up to my tent two or three days after giving their figures in their respective houses, in order to rectify mistakes they had committed in omitting this or that item. *Provided an approach is made properly*, I do not think any obstacle will be placed in the way of figures with regard to family budget, etc., by the average householder in India. Professor Burnett Hurst argues, and rightly, that it will serve no purpose to compare Indian figures with Western or American figures in economic matters, but it is hard to follow his further inference from this that on this score an economic

enquiry of a more or less complete sort is not an immediate necessity. We want figures to compare our social and economic conditions, not necessarily with those in other countries, but certainly with our recent past and our present on the numerous issues touching our economic welfare. Other difficulties there are: this is a continent, not a country: conditions vary categorically in many respects. Yet, the magnitude of the problem should lead to more care being bestowed on it, not its neglect nor postponement. One important suggestion I would give the Government of India is that the scheme recommended by the President and Pandit Kaul should first be introduced in a Division, say of three average-sized Districts, and tried for, say, two years in each Province and big State. By the end of the period each of the States or the Provincial Governments would have much more definite ground to proceed upon than at present. This suggestion has perhaps the additional advantage of meeting the opposition of those who do not want the inauguration of a huge and cumbersome hierarchy for a definite purpose but with undefined methods and jurisdiction.

The Bombay Chamber's Memorandum

A novice at cycling almost always leaves the broad high road helplessly and tries to negotiate ruts and sands. To keep his balance on the rough ground he pedals hard; lest he should bump or collide against anybody he normally holds the brakes tight. What comes out of it all?—a slovenly progress, a disproportionate waste of energy and an eternal anxiety about managing to keep on the saddle. The Government of India seems to be having not a dissimilar experience in trying to run the machinery of progress. Over the last three years they have been so busy appointing Committees about, not

on, different important subjects just as the novice cyclist discusses in his mind the trammels and travails of bad roads, or rather, the bad parts of roads. Is it advisable to help the development of an Indian mercantile marine, to think of modifying our present tax system, to import external capital, to make provision for a more scientific collection of economic data, to reform the currency system? Land revenue was excluded from the purview of the Todhunter Committee, land tenure has been excluded from the terms of reference of the Agricultural Commission. It is very difficult to find any other country where so much money and energy and time is spent upon investigations to find out the veracity of axiomatic truths, with such a sophisticated kind of questionnaires. If only the India Government had instead appointed Committees to directly suggest definite ways and means for realising this or that reform, our progress should have been much more substantial.

The memorandum put up by the Bombay Chamber of Commerce on the Economic Enquiry Committee Report (published nearly a year ago) is a product full well soaked in reactionary pessimism—thus far reads very much like a typical Government of India resolution. The population is heterogeneous, illiterate, hostile and suspicious; the cost would be too high: therefore, “an economic survey on a comprehensive scale is beyond the range of practical politics at the present stage of Indian development.” The Chamber would like us to wait till there came about a change over the whole population in these respects. This is exactly a beat-about-the-bush policy. The Indian population is heterogeneous, but it is hard to see how this could come in the way of collecting economic statistics. The majority as well as Mr. Burnett Hurst have suggested the formation of Provincial Bureaus, and it would be the business of each such Bureau to take account of local peculiarities. Illiteracy is largely pre-

valent, but at the worst it might impede, not stultify, an economic investigation. Take for example the census of India: defective as the data collected in that connection are, that document constitutes the most important reference work available for knowing something of the India population. Illiteracy does not mean dullness, specially in India, and provided you put up a suitable agency, the task of collecting economic data should present no serious difficulty. Hostility and suspicion there is not in the country. The Bombay Chamber based its opinion in this respect very probably on urban conditions: the spirit of individual liberty, an offspring from the contact with Western forms and notions, has not yet permeated our villages so far. An intelligent appeal to the patriotism of villagers brings astonishing results: people will not only give their respective details, but will go round with you over the whole village in order to ensure that correct information is given by all. The thing is that opinion as to the ease or difficulty of compiling economic data should be worth having only from those who have had some opportunity to do that kind of work: in other cases people would have naturally to draw upon their imagination.

In an attempt to eradicate disease, diagnosis is the most important work, and when trying to improve a nation's welfare an adequate and correct knowledge of the people's economic conditions must be of invaluable help in prescribing policies. If anybody says that on account of the big cost involved such a knowledge may be 'dispensed with, it merely means that too low an estimate is made of the value of economic statistics. Our taxes and our disbursements are now almost all based upon 'mamul', and any slight lifting of the curtain, any first-hand investigation, will disclose huge injustices involved in the process of distribution.

To crown all, the Bombay Chamber wants reform at the top, a directorate of statistics to be established at the Imperial Capital. A knowledge of the actual processes through which the present figures emanate, must persuade any one to see that reform, if any, is most urgently needed at the lower rungs of the ladder. Reform at the head may bring us a better classification, a more intelligent analysis and so on, but the reliability of the data will not be a whit improved. Sir M. Visvesvaraya's scheme after all costs about half a crore per year for the whole of British India, and at least as a halfway house it undoubtedly deserves being given a trial. The Agricultural Commission ought to devote a chapter of their Report to this all important subject of rural statistics, and if only the Government of India co-operate loyally, it must be confidently hoped that the Visvesvaraya scheme will prove not only workable but also beneficial—and this in spite of sceptics and cynics.

CHAPTER II.

RURAL ECONOMIC SURVEYS.

The Necessity of Correct Data.

There is coming on a slow realisation of the fact that economic data in this country are the most vital yet the most neglected. People have been and are busy with policies economic and political and numerous opinions empirically formed have been taken for granted and used just as if they were established truths. The available few facts and figures having any bearing on the economic side of Indian life, almost all concern city or town society and deal with matters commercial or industrial or financial. That India has been and is mainly agricultural is known to everybody, but little is known about Indian agriculture as it is carried on in the plains and valleys and on the hills of India, the difficulties and disadvantages which the ryots have to face, the size of the yield of the land and its distribution, the health and disease, the joys and sorrows, of the agricultural classes. Economic evolution, if any, has been proceeding from the pinnacle to the foundations, and when either the Government or the politicians speak of the "people of India" they ordinarily mean the politically minded classes, the merchant princes, the big zamindars and the towns-people. The danger involved in this mistaking a part for the whole, cannot be exaggerated: the fact that India, if she is anything at all, is *wholly* rural (large and magnificent as our railways and factories are, they dwindle into nothing when compared to the size of the factors of production employed in our agriculture) has yet to become known to many an economist and statesman, and the (only) way for such a realisation of truth is

to unravel important facts of our rural regions, that }
 is, we must have rural economic surveys in all parts }
 of India.

In fact, the extent to which erroneous statements about Indian economic conditions are accepted as current coin by the public, University students, the Councils and sometimes by Government, is astonishing, and seriously depresses any student of Indian economics who has had an opportunity to lift the curtain and study life around the hearths and in the homes of Indian villages. Two statements made by leading economists should serve as typical instances. In his "Study of Indian Economics" Dr. Prathamah Banerji writes: "In agriculture the law of Diminishing Returns applies with full effect. In manufactures the effect of that law is often more than counterbalanced by the law of Increasing Returns. . . . The profits of manufacture are higher than those of agriculture. . . . The production of wealth being larger in a manufacturing country it is capable of supporting a more numerous population than an agricultural country." A detailed criticism of this sort of "made easy" Economics cannot be undertaken here, but one wonders how such arguments fit in with our contemporary world where industry is all round in a depressed condition and agricultural prices have soared high. That an industrial country could maintain a larger population (proportionately speaking) than an agricultural country is a pre-war idea based upon the European capitalistic system and the principles of distribution which held good then. It is the agriculturist that grows corn and tends cattle and it is corn and meat that must support any population. If before the War there was more plenty of these things in Europe than in Canada and Australia or Russia, it was because of Europe having succeeded in bringing about an unnatural system of international exchanges and

in securing unreasonably high rates of remuneration for her manipulating and middleman work.

Professor C. J. Hamilton of Patna compares the birth-rate in India which is about 45 per mille with that in England and Wales which is about 25.4 per mille, and after discussing the numerous factors which tend to encourage and check the birth-rate in this country, concludes: "To my mind it is an elementary truth that whatever improvement may be wrought in the economic welfare of India by better methods of cultivation, or by irrigation, by relief from indebtedness, by improved transport or by industrial expansion, a large proportion of the people will be condemned to a state of poverty so long as the tendency for the population to expand at the present rate continues." This is inevitably the opinion of an English mind on unfamiliar Indian conditions. The poverty or affluence of income of the masses of a people depends ultimately, not upon the birth-rate nor the death-rate, but upon the productivity of the soil, the natural resources of the country, the fairness or otherwise of the division of the national income among indigenous and foreign factors of production. Professor Hamilton thinks that whatever might be done to increase the national income, that increase would be more than offset by the increase in the size of the population. This merely means that, in the absence of facts and figures about rural India, he instinctively imagines that natural resources in this country have been as much exhausted and impoverished as in England. But, to any one who has had a scientific glimpse of any rural region in India it must have been the most prominent part of the scene that agricultural potentialities were still practically limitless and the ryot had not utilised them on account of poverty of man-power.

Such instances of incorrect data or misapplication of theory are not uncommon in a good many

publications on economic topics, and the time has now come when Indian economics ought not to be left aside by the public at large as a 'technical' subject, but seriously taken to: "know thyself" is today a dictum more important in the economic than in the religious life of the country.

How they should be carried out.

How should rural economic surveys be conducted? The Indian Economic Enquiry Committee held investigations on this question. The usual method adopted by such Enquiry Committees is to issue a standardised questionnaire, to take the evidence of persons known to be interested in the concerned subject or to have done some work or research therein, to arrive at inferences on that basis (and wherever possible on the basis of official records) and then to make recommendations for adoption by Government. But in the matter of rural economics the immense diversity in crops, methods, climatic conditions, the wealth and income of the masses, their debts, etc., makes it practically impossible to think of an average for the whole country, and even if it were possible arithmetically it could not be of any value in assisting the evolution of policy. As a matter of fact it has been generally recognised by now that economic investigation is a subject necessarily provincial in character, to be arranged for by Provincial Governments. And in so far as British Indian Provinces have been of their present areas and contents mostly as a result of political developments than of geographical conditions, even Provinces cannot be taken up each as a unit. Similar conditions with regard to items like the relief of land, the size and duration of the rainfall, the kinds of soils, the castes or tribes inhabiting the region, crops, etc., seem to be possible, and in many cases prevalent, in territories within a district or three or four districts contiguously located: the

Tanjore District is more or less wholly a paddy growing area, South Canara is a coastal plain with one climate all over, the Berars constitute the cotton valley, the Doab region in the Punjab is an irrigated area, and so on. It was mainly for this reason that the Government of Mysore recently directed and financed an Economic Survey of only three Districts (Shimoga, Kadur and Hassan) adjoining the Western Ghats on the East—a region called the Malnad with closely resembling conditions with regard to physical and social features.

Cheapness was specially kept in view by some who said that if only we should improve the forms which were being used for Khanecumari accounts, if only the village records and accounts (like the Births and Deaths Registers, the khatha patti, the pahani etc.) should be improved and the agency that collected the information be trained and made more efficient, we should then have before us all the data we wanted in a fairly thorough manner. The fallacy in this proposal lies in that the thing that is absent and has been responsible for necessitating economic surveys as such, namely an efficient agency and a good system, has been assumed as easily possible if not already present. The day when our village officers will realise the vital importance of the vital statistics they keep is certainly not in the near future, and a metamorphosis in their outlooks and ideals must mean a metamorphosis in the nation's life. Perhaps a better scale of payment to village officers will mean that these will take more interest in the matter of statistics, but any such improvement is beyond practical politics; a pie's increase in the *shambhog's* or *kulkarni's potigi* will mean several lakhs more of expenditure to Government.

A second proposal is that the revenue officer in each District or Sub-division should conduct an economic survey of his district. The close touch

that officer has with all parts of his sub-division should prove a great facility for arriving at truth, and it is not at all surprising that I.C.S., men like Moreland, Jack and Keatinge did such valuable pioneering work in the study of rural conditions. Still in actual working, a revenue officer entrusted with economic investigation is bound to meet some serious difficulties. At the very outset mention may be made of the generally biassed nature of his mind in regard to such matters, obsessed by the humdrum details of everyday administration; by training and perhaps by temperament he is a sceptic, even a scoffer at ideas of "improvement." "Whatever is best administered is best" quotes he, and secretly—almost helplessly—argues that his is the best administration. In most cases he would not accept the position that his administration of the district was practically capable of improvement. If he found something wrong, he would explain it away or try to set it right by the punitive process rather than try to understand the cause for it. When to a revenue officer I complained that my investigations showed that generally applications by ryots for changing demarkation lines wrongly depriving them of the privilege of a minimum space between cultivated field and State forest, took years to be disposed of by the authorities, he coolly replied that such things should not be hurried and ought to take their own time. Secondly, there is the consideration that he is an officer of Government, and he knows as others know that he ought to loyally support Government in all matters; his "survey" would have to be not a picture of truth as such, but truth so far as it was safe for the investigator to let out; no revenue officer would, nor could, risk his future by saying truths unpleasant to Government, and even the most democratic Government does not want all truths to be said in matters economic. Even a publication like "India in 1922-23," by Prof. Rushbrook Williams has been awarded.

a general reservation by the Government of India: "It must not be understood that approval either of the Secretary of State or of the Government of India extends to every particular expression of opinion."

'And then, he is the officer to fix land revenue assessment, to assess the tax on incomes, and in some parts of India to investigate illicit distillation or illicit sale of liquor. Any amount of persuasion by him would not enable the rustic to give out the truth with regard to the yield of his land, the size of his income or the degree of intemperance in his neighbourhood: he is the *sarkari* man, and the conservative ryot in nine cases out of ten mutters, perhaps rightly, to himself and his neighbours: "Better not have anything to do with that man." Nor has he the necessary amount of sympathy and imagination, his finer feelings having been generally deadened by his familiarity with misery and social injustice obtaining in his range.

'Agency and Methods of Work.

One method of making a survey is to appoint a special agency to do the work; in this case it would be an economic expert with suitable staff to assist him in gauging the health of the population, in studying agricultural processes and needs, in estimating the actual and possible facilities for transport of men and goods, in adding and averaging figures collected. This was the course adopted by the Government of Mysore in their recent Malnad Economic Survey. On requisition they deputed for service a doctor and an agricultural inspector and appointed the necessary number of typists and clerks and peons. They also gave other supplies like tents, carpets, etc.

In this arrangement, the first few weeks would have to be spent by the Special Officer in meandering through his area and the available literature on

it, getting a rough knowledge of the nature of the problems to be handled, and framing his Detailed Heads of Enquiry. If he were not a native of the land the environment would be new to him and it would cost considerable effort and attention on his part to ensure a correct grasp thereof. Such time so spent, though apparently a waste, would be a necessary part—an important part—of the Survey, and he who would grudge to pay the piper had better not think of having the Surveys at all.

For, these surveys to be conducted by economists specially deputed for the purpose will involve some expenditure, but cheaper ways of doing the work with equal efficiency do not seem to be possible. Why not patriots do this work in every part of the country? It is ordinarily difficult if not impossible to find a patriot with the student temper, the right temper for research—for the search of truth as such without any thought of fear or favour; and then, the work involved in a rural economic survey would require a steadfast maintenance of one's vigour and patience: very hard work most often uncogent to the delicate physique of the intellectual or the politician must be done, and long hours must be spent in rain and sun in roaming over hills and valleys: an economic investigation can by no means be done or undertaken in a holiday spirit, nor as a piece of hobby.

About thirty weeks and Rs. 15,000 should ordinarily be sufficient for the purposes of an intelligent Survey of a region. Suppose the area comprises three districts. Three villages typical of different parts in each district should be sufficient (in all, nine) for intensive investigations—house to house examination of health, disease, debts, budgets, food and drink, tanks, wells, crops, etc. Villages with about 50 families or population between 250 and 300 would be convenient, and could be covered each in about 10 days. Thus 90 days would be required for

the intensive study, about 20 days for journeying from village to village and the other 100 days would be required to do the extensive investigation work with regard to roads, trade, etc., to collect as much official information as possible and available, and to examine experienced persons representing different classes of the population. The expenditure would be about Rs. 1,000 a month on the economist and another Rs. 1,000 a month on his staff.

Two or three more things to be said about such Rural Economic Surveys are that the expenditure should be borne, in the nature of things, by local bodies, secondly that the results of such Surveys should be automatically given publicity without any consideration for expediency or policy, and thirdly, that in the area concerned Government must make it obligatory on the part of officers and officials to take the work each might have to do in connection with the Surveys as part of his normal duties. From the Main Heads catalogued below it can be seen that such Surveys are bound to have a good deal to do with practically all Provincial Departments, and experience has shown that each of such Departments would instinctively consider such investigations as intrusions into the normal conduct of affairs: the agricultural Director would probably recommend to the Surveyor that he had better drop Agricultural matters from his enquiry because they were too technical and complicated, "and the Department was doing its best to improve matters." The Director of Public Instruction would chafe at an outsider inspecting schools and passing comments and asking for information which could not be collected and which could not possibly, so far as he could see, serve any purpose. The Registrar of Co-operative Societies would perhaps be the most aggrieved, for if anybody should do the work it would be his men under his guidance. The result of all this would be

that if Government contented themselves with a general solicitation that all Departments may "co-operate," the task of the Economic Survey Officer would increase tenfold in difficulty.

The following are the Main Heads of Enquiry which should cover all aspects of human life having any bearing on the economic well-being of a rural population:—

I. Physical character—Geological, Soil, Water, Drainage.

II. Land—Divisions, Holdings, Land Revenue, Land Tenures (Peasant Proprietorship), Debt-burdened land—special varieties thereof.

III. Vegetation—Crops, Cultivation (implements, manures etc.)

IV. Agricultural Stock.

V. Industries—Importance. Methods, Marketing.

VI. People:—

(a) Health—Diseases, Mortality, Average duration of life—causes for.

(b) Wealth—Income (wages), Expenditure, Saving (Capacity and tendency), Indebtedness (credit), Religious and Social Features.

VII. Education—Kind, Efficiency.

VIII. Communications.

IX. Conditions in general in the recent past.

CHAPTER III. AGRICULTURAL HOLDINGS.

Importance of Underground Water

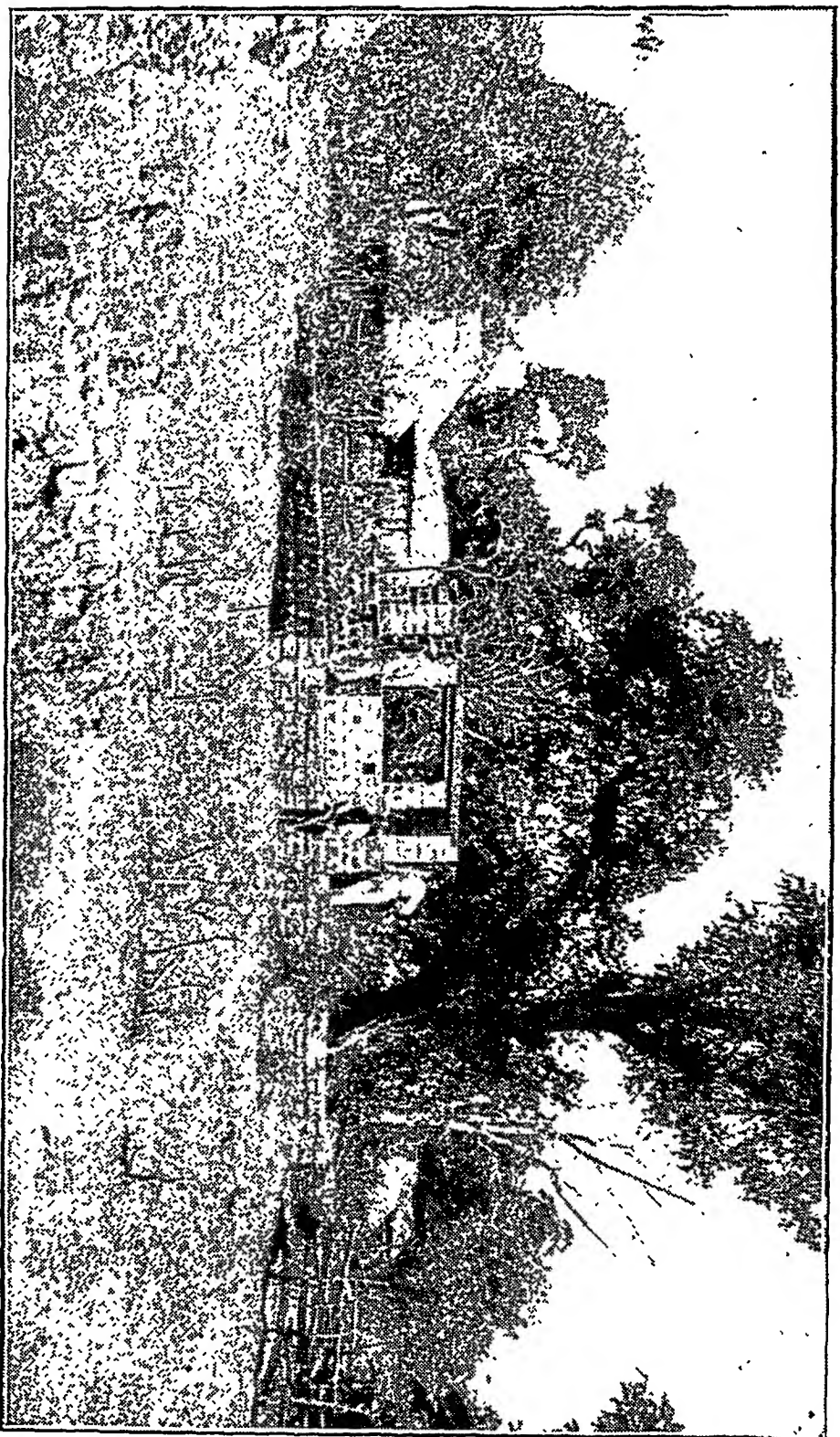
The latest report from Simla says that the agricultural situation in Western Bengal, United Provinces, Central Provinces, and Rajputana is unsatisfactory this year, on account of the shortage of rain. In the North-West Frontier Province, and Upper Burma there is serious drought which requires careful handling. In South-Eastern Bengal, the jute area is much smaller than last year on account of there having been no rain at the sowing time, and heavy rains just after that, which washed off many small plants. The calamity caused in Southern India, especially the Tanjore District and Malabar, by heavy rain and floods has been an additional source for anxiety, and of late the Indus was in high floods causing damage to much property. In the State of Hyderabad the average rainfall till now has been much lower than what should have ordinarily been and from 1329 F. we have been having a succession of rainless years. There seems to be some mistake somewhere; seasons are not coinciding with men's calculations, and the rain-bearing winds appear to be controlled by other forces than normal. Have the planets changed their orbits?

In India, agriculture is the very life of the people. Their joys and sorrows arise or disappear as rains come seasonally in proper quantities or not. The new Development Departments in British India and some of the forward Indian States are trying to meet the situation by putting up dams across watercourses, collecting and storing excess flows in the rainy season and affording water supply for irrigating the lands in the neighbourhood.

Crores of rupees are being spent on gigantic schemes like the Sukkur Barrage, the Sutlej Irrigation Project, and the Nizam Sagar. But one important consideration to be remembered in connection with a forward irrigation policy is that larger-scale projects can help only a very small percentage of agricultural holdings: it is impossible to conceive of irrigation dams in every village in India, but every village in India has thousands of acres of agricultural land which sorely need some kind of relief.

Tank irrigation could be of use to a much larger proportion of the population, but two facts take away a great deal from the utility of this means of water supply. Firstly, on account of the disorganisation caused in the transitory stage of the establishment of British rule in India, many tanks which had been for centuries looked after, repaired and maintained by the villagers themselves, fell into disuse, and became silted up: as Government became more and more centralised, the initiative and independence of the villager decayed. The wonderful system of small-scale tanks which the Indian villagers had built up by working for centuries, has now become dismantled, and will require some tens of crores of money and a long time to be restored. Secondly, the volume of surface water (as distinguished from underground water) collectable in any area must inevitably depend on the amount of rain in that area. Tanks, almost all of them being small scale, cannot stand more than one dry year. So that even if our tanks are repaired, they will have to keep empty if each locality does not get a proper amount of rainfall for two or three years continuously.

This process of elimination takes us to underground water. This is not so directly dependent on rainfall on the spot. Secondly it does not dry up so easily as surface water. Thirdly, it is present al-



A Government well in the Malnad, supplying good drinking water to many villages around : there are about 400 such Government wells in the three Malnad Districts.

most everywhere: the only condition for securing it is that we should go to that depth where it exists. The cost of boring and maintaining wells, the expenses involved in raising water to the land level—these are concomitants to the facility of the ryot getting water for his fields. But when we balance the disadvantages and advantages, we must easily see that any method of getting water which does not require a heavy outlay of capital must be preferred to absolute helplessness.

“Lift Irrigation,” as this way of finding water for crops is called, has been much helped by science. There are boring machines which at a cheap cost can show at what depth water is available. There are various kinds of water pumps that can be worked by handpower, animal power, fuel (wooden) or coal or oil which can with great advantage displace the time honoured leathern bags and bullocks.

At the earlier stages, the expansion of lift irrigation may look difficult. But the State should come forward—if for nothing else, at least to ensure the maintenance of land revenue at a stationary figure. The Agricultural Departments should employ a Boring Expert well-versed in the science of sinking wells. Every district should be provided with a Boring Inspector, and full equipment, and it should be made his duty to go from village to village, and offer his assistance free or at a nominal cost to such ryots as wish to take to lift irrigation. Governments should maintain a model farm worked entirely on underground water, keep businesslike accounts, and show the people that it is worth while seeking protection in the bowels of the earth when the surface of the globe and the heavens have turned unkind. Every State and Province will do well to appoint a Committee to go into this question of utilising underground water in tracts where rainfall is small and uncertain.

Causes for Excessive Fragmentation.

Though the detailed terms of reference do not mention this item, the general phrase "agricultural and rural economy" must and does enable the Royal Commission on Agricultural to give due attention to the present sizes of holdings, the extent to which such holdings are scattered, and the ways in which the situation in this respect can be improved. The waste of time, energy and general resources involved in the present condition of fragmentation, the damaging effect of this upon the size of the national income, has hardly been sufficiently realised even in quarters expected to be in the know of things. Except in the Indo-Gangetic Plain and small strips in South India, the relief of the land has to some extent been responsible for the scale of agricultural operations being smaller than what it could be otherwise; in valleys and on hills stretches of land each fit for the same kind of cultivation are naturally small in area, and in such cases the ryot should be helped to hold his bits of land as near to one another as topographical conditions permit.

The custom of partitioning off properties among the heirs, which has in recent decades become very common, has not only weakened each branch of the joint family tree but has also brought about the more regrettable calamity of each farm as well as each house of the deceased being divided into as many blocks as there are heirs: in the majority of cases, the suspicious and mutually jealous heirs insist upon having, not shares in the property according to the values of the different constituents thereof, but bits in every item of property—lands, houses, jewels, cash etc. Sir Reginald H. Craddock writes: "The sub-division of lands corrects itself, for the superfluous numbers drop out and seek their livelihood elsewhere, or the land passes again, owing to debt, into the hands of a single holder."

An examination of conditions in the Mysore Malnad shows that while this argument holds true in many cases where lands fit for extensive cultivation are concerned, the chances of the occupant leaving in the case of land fit for intensive crops (like arecanut, beetel leaves, fruit gardening) are very small: in cases of small-scale farming, that is, practically in all cases, cultivation in India is proceeded with for subsistence, not for profit, and the cultivator refuses to take into account the waste involved in his tilling bits of land far off from one another. In a comparatively small number of cases small-sized farms are due to the very limited means of the new occupants who would have got their new acquisitions either by *darkast* to Government or by purchase from needy ryots. But by far the most important cause for the progressive diminution in the sizes of farms seems to be the universal ambition there is in the minds of agriculturists—small or big—to occupy as much land as possible, distant or near, cultivation or no cultivation. Even in tracts where labour supply is poor, irrigation facilities absent or his own resources small, the average landowner loses no opportunity to acquire more and more land: a bit here, a bit there, another bit in the next village—the accumulation goes on like this so that when the sons of the acquirer have to agree to a partition the feat will not at all be an easy one. Imperfect as the agricultural statistics are, the size of current fallows in India (47,070,000 acres in British India, 13635,000 acres in Indian States, respectively 7.1 per cent. and 10.2 per cent. of the total area of land) will give an idea of the powerfulness of this inclination on the part of the agricultural population.

Revenue records from which are made up the “agricultural statistics” of this country are far from the reality in the matter of the sizes of holdings. In ordinary revenue language, a holding is

generally taken as the synonym for lands comprising a "khatha," but really the khathadar is the man whom Government holds responsible for land revenue due from the whole khatha, and nothing more necessarily. In the vast majority of cases the khathadar owns only a portion of the lands shown in the katha. Partition, sale, resignation, charity, and several other causes bring about an ever changing series of changes in ownership of land. And the village accountant lives in blissful ignorance of such changes in all Provinces where the village records are based upon the usual survey maps prepared by the Revenue Survey and Settlement officers. With regard to payment of land revenue helping the determination of occupancy rights, it happens that in innumerable cases where the landholders are debtors by habit, the moneylenders pay the land revenue dues of their debtors. In the case of some kinds of tenancies partaking of a permanent interest in the land, it is the tenant that pays the revenue and not the occupant. In some special kinds of landholding like *samsrishta* and *jantikhatha* (in the first case the owners of land divide the yield according to an agreed scale but do not know the locality or the boundaries of their respective holdings, in the latter case the khatha stands in the name of two persons instead of one), the confusion is worse confounded. To crown all, new khathas were issued over the last several decades, wherein the landed properties of the applicants were clubbed together in accounts—one khatha for the lands of one person—though their lands were located in different parts of the village. Latterly such khathas were divided in ownership on account of partition, sale, etc.

The Season and Crop Reports issued by the different Provinces annually, show classifications of holdings according to extent and of holders according to the amount of revenue paid. A reliance on

these Tables for drawing inferences must lead to gross fallacies; for by a holding is meant in these Tables the lands comprising a khatha. In the Mysore Malnad the writer came across quite a large number of civil disputes which were ultimately traceable to the present system of entries in village records with regard to land-holding. The drawing up of an accurate and thorough Record of Land Rights (insistence on any change in occupancy of land finding correct entry, in such a Record, following as a corollary)—as has been done in the Bombay Province—should be a huge reform to realise over the length and breadth of this country, but an equally efficient means for knowing the exact extent of fragmentation of holdings is not conceivable. By this reform civil litigation would materially decrease, collection of land revenue dues would become much easier for Government, inflicting no injustice on any party. The great facility such a Record would afford for the inauguration and working of land mortgage banks should remove perhaps the biggest stumbling block in the way of officers and committees entrusted with the flotation and expansion of such banks in different parts of the country.

How to avoid excessive Fragmentation.

In practically all countries the basic evil of excessive fragmentation has been felt at some time or other, and success in eradicating the evil has generally been dependent upon the influence of agricultural leaders and the forward policy of the government concerned. Agriculture has never been possible economically without enclosure, and enclosure has been practically useful only where there has been a methodical consolidation. The cost of erecting and maintaining good fences around numerous small bits of land held by the same ryot in far off localities, would be too high for the slender resources of the occupant. No statistics have been maintained

in any part of India to give a rough idea of the damage done to agriculture by stray cattle, and the actual loss incurred by the ryot is much more than he himself realises. To give one instance, in an area where the general custom is one crop a year (wet or dry), no individual cultivator can possibly think of a second crop unless he can count upon a stout and tall fence, when in the surrounding area there is no standing crop, cattle freely wander about in search of food, and a second crop on any plot must inevitably be victimised sooner or later. And there are not even a sufficient number of cattle pounds in any part of this country.

Sentimental attachment of the ryot to his particular plots seems to be a piece of urban imagination on rural matters. Backward as the Indian population is in other respects, the writer's direct touch with cultivators in the Malnad—a wholly rural area—showed that they did not lack in commonsense. Agricultural land changes hands much sooner than is ordinarily imagined and in the vast majority of cases plots of land do not nowadays continue in the same family from generation to generation. Thus there is not much objection to one newly acquired plot giving place to another in contiguity (or in close proximity) to one's remaining plot or plots. What the average ryot really fears is that in the process of general re-adjustment of holdings in his village, he might lose by getting less fertile or less valuable land than before, or he might have to submit himself to innumerable and vexatious impositions in order to ensure for himself fairplay and no favour at the hands of the Revenue officials who would be charged with this onerous responsibility. Frankly speaking, the Survey and Settlement and Revenue departments are generally looked upon with awe and terror by the middling and

small holders on account of the heavy though illegal tributes they have to pay when such departments visit their respective villages. In the vernaculars there are any number of ballads describing the calamity of a visit by them.

“By attempting to please everybody you please nobody”; in attempting to provide consolidated blocks of land to every landholder in a village the settlement officer or the panchayat will very probably displease everybody, so say the sceptics. It is held by them that no adjudging authority can rival the occupant in ascertaining accurately the advantages enjoyed by, and the fertility vested in, his plot; and as such, injustices are bound to arise. Specifically, a ditch across, a hillock near by, the village dwellings too near to,—such considerations do count in the ryot's eyes, but they can never be taken note of by any assessors in general. Why then create unnecessary discontentment and heart-burning?

In five villages in different parts of the Malnad, the writer studied the actual locality of the lands of 31 average ryots. An attempt was made to see if hypothetical prescriptions could be made for the consolidation of the plots of land held by each of them, without any material inconvenience or loss to any holders. In a few cases single blocks could not be provided on account of the contour and nature of lands adjacent: but even in these, two blocks very near each other were possible. When asked how they would like the new holdings mapped out for each, all the 31 ryots expressed not only a readiness but an eagerness to have the change made. When tried on a large scale it is possible that scientific justice may not be uniformly securable, but this limitation applies to all awards of this world. The real point is that the ryot will have to balance in his mind the certain advantages he will derive on account of

consolidation and the possible disadvantages and losses (which must at any rate be much less) and see which weighs heavier.

The idea of the village "panch" doing the whole thing does not seem to be practicable: in almost all villages the old self-governing institutions are no longer there: they decayed on account of numerous causes and gave place to Government rule through the several departments. If on the score of bringing about a consolidation of holdings a "panch" should be set up, or one with defunct existence should be invested with this heavy responsibility, the mass of opinion would not feel confident. In the Punjab the Co-operative Department is reported to have achieved some tangible results in this direction through co-operative societies worked by committees, that is, panchayats. But an examination of social conditions in the Malnad leads the writer to believe that the best agency to begin with would be a special officer working under the authority of a legislative act, assisted by local committees wherever possible. Once the average ryot sees that a readjustment of occupancy rights with a view to consolidate the holdings of each ryot in a village, does bring about material economic advantages, the task becomes much less difficult: the initiative will naturally be taken by the ryots themselves, and they can proceed either through the Co-operative Department or through legislation and executive action thereunder, as local conditions warrant.

Lastly, for consolidation work to have permanent results it is necessary that some change must be made in the Hindu and Mahomedan laws of heredity. Some recommend that the law of primogeniture must be universalised by legislation; but Hindu and Mahomedan ideals of justice (as among the offspring of the propertied ancestor) do not

seem to admit of such a categorical change. The only way out of the difficulty appears to be this: local Governments should fix by rule (say, once in thirty years) the minimum sizes of wet, garden, dry and special crop holdings, and where the question of dividing a holding into smaller bits than prescribed arises it should be laid down by law that the occupancy rights should vest in the first-born son (with the usual exceptions) while at the same time other heirs do continue to possess civil rights over the respective "hissas" (shares) of the net yield of the holding. In such an arrangement the eldest son would be the farm manager by law, the other heirs having no claim for disintegrating the holding but entitled to the corresponding shares of the net yield. Yet in the cases of big estates fragmentation must be allowed the present scope in the general interests of the country though not on agricultural considerations.

Land Revenue Assessment.

The Todhunter Committee's Proposal.

There has been a good deal of controversy on the question "Is land revenue a tax?" Though the Taxation Enquiry Committee have favoured the imposition of a progressive tax on agricultural incomes and of death duties all round, they have refrained from a categorical expression of opinion on this point. They say that "since it forms a deduction from the national dividend it should be taken into consideration in dealing with the question of the incidence of taxation on the country as a whole." But the Committee have failed to meet this argument: as the use of agricultural land by a part of the population amounts to the employment of a national asset, not for the direct benefit of all, the occupants of agricultural land must make some contribution for the advantage of the public at large, and this in its

very nature cannot constitute a tax. A clear-cut opinion on this controversy by them might have been of great value to economic theorists.

In their proposal for modifying the principle on which land revenue is assessed, they indirectly admit that land revenue should be a reasonable fraction of the "economic rent" of land—what they call "annual value". This proposal by the Committee should be welcomed by students of Indian finance, not so much on account of its effects on the elasticity of this head of receipts, but more on account of the fact that a re-assessment of agricultural land throughout the length and breadth of the country on this basis will almost certainly increase the size of land revenue collections (at the same time making the charge upon different lands and different crops much more rational). A study of early Survey and Settlement Reports by pioneers like Mr. Pringle, Lieutenant Wingate, Mr. Goldsmith and Major J. W. M. Anderson will show that, even from the very beginning, the land revenue system as re-organised by the British Government in India had some considerable and practical tests for gauging the ability of the occupant to pay. But while they paid more or less sufficient attention to (1) the kind of crop, (2) the depth and texture of the soil and (3) the average annual rainfall, the following other, more important, items were hardly given due consideration to by them: (1) the healthiness or otherwise of the concerned area; (2) communication facilities (on which alone depends the elasticity of the supply of labour in response to demand conditions); (3) the condition of the local population with regard to agricultural enterprise, and (4) the availability of capital for providing for the different processes of agriculture and trade. Even the Taxation Enquiry Committee have not gone far enough in this direction; the "25 per cent of the"

annual value'' suggestion is very good; but the annual value is much more affected by the latter four items than by the three others mentioned above.

The mention of a few facts and figures to show how far the prevalent land revenue system is from what it ought to be on sound principles, may interest the general reader. In the Mysore State, the Malnad (consisting of the Shimoga, Kadur and Hassan Districts) is a tract where climatic conditions are uncongenial: man must spend there much more upon his food, clothing and housing than in other parts of the State, if he should not lose in health. The land is on the whole hilly and therefore roads are very costly to make and quick to be damaged on account of torrents of rain and flood during the monsoon season: no railway pierces the territory. The all-consuming money lender is all in all, serfdom largely prevails for the reason that enterprise and capital facilities are monopolised by a very few. The Government of Mysore found that agriculture in the Malnad was decaying, and since 1913 have spent more than Rs. 10 lakhs on Malnad improvement. While this expenditure on special hospitals and schools (and to a minor extent on roads) redounds to the credit of that Government's enlightened policy, it is strange that hardly any importance has been attached to the cry of the local population for a reduction in the rates of land revenue assessment. (It is true that the Government of Mysore very recently ordered some slight reductions in the assessment rates on garden lands, but this had no special reference to the Malnad). A comparison of rates shows that in the case of paddy and arecanut assessment in the Malnad is larger per average acre than in the Maidan—the healthy part of the State. The reason for this heavier assessment is plain: the rainfall is heavier and surer in the Malnad, the land is more fertile. Still the annual value of agricultural

land in general is much smaller than it ought to be, on account of factors not taken note of by the settlement officers. In this same tract, foreign capital and enterprise have taken to special crops like coffee and tea, and in these cases assessment on land works out at a specially low rate.

The anomalous and empirical condition of the present land revenue system, the urgency for a quick adoption of some measures of reform like the 25 per cent. rate, will become patent from the following figures arrived at during the economic survey of the Malnad.

1	2	3	4	5	6
Crop.	Average total yield per Acre.	Average total expenditure on (2)	Average net yield per Acre.	Average as- sessment per acre.	Per cent age of 5 to (4)
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	
Paddy	74 8	59 3	15 0	5 0	33.3
Arecaunt	200 0	152 1	47 15	15 0	30.13
Coffee	200 0	80 0	120 0	1 8	1.25
Cardamon	160 0	75 0	85 0	1 8	1.77

(Owing to a sharp but permanent rise in price recently, the assessment on cardamon works at a low figure. In the case of coffee a good bit due to enterprise must be deducted from net yield in order to arrive at annual value).

The hardships caused to the poor cultivators on account of the absence of a flat rate or anything like it, must be plain from these figures. Of course, the fact of a high rate of assessment being in vogue is itself a powerful argument in favour of letting it alone (because the enhancement of rates in other cases on account of reduction in some would involve much more disturbance of the public mind), but it

is the duty of the new Provincial Legislative Councils to face the risk of temporary inconvenience to some classes of landholders in order to render the charge upon the others more equitable. Tenants and small landholders have no proper representation on these Councils yet (except through nomination by Government) and it seems as if the reform proposed by the Todhunter Committee will have to be piloted through these popular bodies by courageous statesmen in the different Provinces; at any rate, there has not been as yet any instance worth mentioning where the landed majorities in the Councils showed any inclination to facilitate the position of their poorer brethren on the land which must inevitably mean their own preparedness to shell out a bit more than before.

Incidence of Land Revenue Assessment.

“Land is very unevenly assessed” the Bombay Land Revenue Committee say with regard to conditions prevailing in that Province: this observation applies to all parts of the country. In an article published in *The Times of India* of March 5, 1926, the writer showed how the proportion between the net yield from land and assessment thereon varied very widely in the cases of paddy, arecanut, cardamon and coffee. The local legislative control proposed by the Madras Bill and the setting up of a mixed Advisory Committee suggested by the Bombay Land Revenue Committee, amount to a radical departure from the present procedure, and due consideration must be given to the question as to whether such a change would be for the better. Apart from actual practice (there is said to be much corruption among the lower staffs of settlement officers), the provision made for detailed first-hand examination of the lands by the settlement officer,

the precaution insisting upon final sanction by the highest governmental authority, and the opportunities to landholders for representing grievances (if any) involved in the settlement officer's decisions—this shows that subjection of the system to non-technical committees or councils is a step involving serious impediments in the way of efficient administration.

Rather, the cause for such a considerable lack of equity in assessment on land appears to be the fact that, in determining the "annual value" (as the Taxation Enquiry Committee correctly denominate it) of land, not all the contributory elements are taken into consideration, and the considered items are not correctly ascertained. For instance, the land revenue rules speak of "rental value". This has to be estimated on the basis of actual rents paid over a number of preceding years. A fact of prime importance is that, in rural tracts generally, competitive conditions do not prevail either as among the rent-payers or as between the rent-paying and the rent-receiving classes. Therefore in effect there necessarily arises a difference, very often a big difference, between "annual" and "rental" value. Rents paid over the five preceding years (excluding all abnormal years) are considered while assessing the rental value. Here again there is a defect. A succession of normal and abnormal years in irregular rotation is the normal feature of Indian agriculture generally, and if the settlement officer leaves abnormal years out of account, he *ipso facto* ignores a normal causal factor. Again, five years is too small a period to be taken as a basis for calculation: in different parts of the country several good years have contiguously succeeded one another sometimes, a number of lean years have similarly gone together in some other cases. This means that at least a period of ten years'

operates. In the case of crops like coffee, tea and rubber, lands otherwise barren are made to yield heavy returns: remove the enterprise working thereon, the land cannot bear any assessment: at any rate, occupancy rights will surely be resigned. :

Climatic conditions, labour supply, irrigational facilities—these, apart from the depth and texture of the soil, do enormously affect the annual value, yet at present land revenue authorities consider only the last item, and that partially. At the Madras Economic Conference Prof. Myles of the Punjab University gave interesting figures to show how an average acre of land without canal water yielded about Rs. 45 worth of wheat whereas one with canal water yielded wheat worth more than Rs. 80; yet the additional charge upon the landholder was only Rs. 5.

Two reforms appear desirable in this vitally important task of land revenue assessment. Firstly, land revenue must be made a head of receipts for local bodies. This might look almost revolutionary, but such a reform is warranted by considerations of national welfare: "rural development" requires crores more of annual expenditure: no additional local taxation can bring in any amount near the required sums for several decades to come. In the present financial organisation the local bodies are starved: the Central Government has fat heads like customs, income-tax and railways, the Provincial Governments get substantial income from excise, forests, stamps, etc., they are now claiming portions of customs revenues and income-tax; but the district boards and municipalities have no solid and reliable item to depend upon: Government grants are sporadic and meagre. Retrenchment, progressive Indianisation and an intelligent adjustment of the sizes of central and provincial taxes must make it not only possible but easy to give up land revenue

(16 per cent. of the central and provincial receipts put together) to local bodies which could be then reasonably entrusted with more functions. Such a step would, the settlement officer then becoming a local fund officer, facilitate due consideration being given to local and current conditions instead of a single formula governing the entire land revenue settlement of the country.

Secondly, the ranks of settlement officers should be recruited from among trained economics men generally, the present practice of entrusting any and every civilian with the task being largely responsible for the existing wide disparities in the incidence of assessment. Getting at the truth in such a complex environment as Indian rural conditions is a hard job, and requires a scientific training for investigation of the undercurrents and cross-currents in the rural waters. The Agricultural Commission would perhaps do well to consider these suggestions carefully.

CHAPTER IV.

AGRICULTURE AND FUTURE POLICY.

Rural Progress in India.

Not the Same Thing as Increased Outturn.

Does increased agricultural production mean for this country under the present conditions an addition to rural welfare in any way corresponding to heavier yields? If the two things are not quite identical, which must be more prominently kept before itself by the Agricultural Commission? On a recent occasion Lord Irwin gave at Simla what might be called his first public pronouncement on Indian agriculture, and in his summary of the directions in which reform is needed, this agriculturist-administrator laid special stress on the urgency for the application of scientific knowledge to agricultural production: he also observed that the world at large was directly interested in the increase of food and raw material exports from India, both from the producers' and from the consumers' points of view. The Viceroy expressed a doubt as to whether progress of the agricultural classes had been in line with that in other avenues of production: if it had not been so, it was necessary to investigate the causes for the comparative backwardness. The address as it stands seems to attach the greatest importance to better control of the powerful yet wayward energies of nature.

But Indian conditions are peculiar: what the Viceroy said does certainly hold good with regard to a country like England, but in this country the few first-hand investigations conducted till now show that, magnificent as are the possibilities of addition to the present agricultural production, the most urgent reform needed lies in pro-

viding better, more humane conditions of work and remuneration to agricultural workers. Bentham's "greatest good of the greatest number" would bring about much more good as an ideal than any attempt at maximum production. This fact is, unfortunately, not recognised in circles of weighty opinion; compare for example the stand made by Professor Hamilton at the Madras Conference of economists that further capitalisation of agriculture was the most desirable improvement in the economic organisation of the country. Many of the men in the affair take consolation in not having authoritative presentation of data with regard to the quota of national income which falls to the share of cultivators. We are not concerned here with the absentee landlord who is a pure rent receiver as such, nor with the middling landholder who secures a fair competence though at a niggardly rate, but with those millions of small cultivators owning small bits of land and tilling the soil at the margin, more often below the margin. We are much more concerned about those millions of landless agricultural labourers who cannot expect to become cultivating owners even in the course of four generations in spite of so many hundreds of millions of acres of unoccupied cultivable land—thanks to the oligarchical spirit of the local zamindars and the complexity of the governmental machinery.

Lala Lajpat Rai said the bare truth in the Geneva Labour Conference when he deplored the prevalence of forced labour even in British India. The High Commissioner of India of course challenged the truth of the charge at least in British India, but we are afraid Sir Atul would not have ventured to do so, had the session of the Conference been in India itself: there would have been any amount of facility for Lala Lajpat Rai to take the optimistic knight to the very spots where forced labour was employed to the

knowledge of officials. And then, the conditions of labourers in Indian States are much worse: The British Government cannot find any rational ground for restricting their attention in such vital matters to British India only and leaving the poor of the States to themselves: even in the personnel and scope of the present Commission the British Government have made a serious omission by leaving the Indian States outside the investigation. In the true spirit of Lord Reading's letter of last March, considerations of the safety and good government of the people of India and maintenance of law and order, do warrant the Central Government fully and freely extending their examinations and discussions of a socio-economic character to the whole of India.

A clear understanding of the real difficulties of rural labour has been shown by the Government of Ceylon in their accepting the new initial standard wages scales for workers on estates in Ceylon. The two very laudable points in the arrangement are firstly that the standardised wages not only differ as among men, women and children but also as among different tracts of the Island: the fixation of the standards has been based upon local conditions. Secondly, the wage fixation at the initial stage has been made effective by making it obligatory on the part of the employers to find standard rice (the staple grain of that land) at a fixed price throughout the year irrespective of the ruling prices at different parts of the year. When grain was cheaper in the market (that might be only once in a way) the workers would naturally prefer to buy outside, but when grain showed a tendency to rise in price it would be the duty of the employer to store sufficient corn for his labourers to last the season. These two features put together must mean that the real wages of the coolies cannot in any way be meddled with by the planter or the recruiting;

agent. Such a step was taken in England in the days of Elizabeth, and nothing but the inattention of the powers that be could have been the cause for the absence of such a measure from the whole of India even till to-day.

The apologist will probably smother us with "objects and reasons." Our local bodies, he will probably say, are yet far too incapable of shouldering such a heavy responsibility for controlling the relations between capital and labour. How about the reaction of such a measure on the attitude of capital and enterprise towards investment in productive concerns? Should we not expect that new ways of escaping the law will be found by the parties that will be adversely affected by such a measure? There never was reform in the history of the world without such doubts and difficulties and all that we have to say in meeting these interrogations is that in the long run, given a capable and well-paid staff to administer the law, the object of the measure is sure to be realised.

The happiness or misery of India is in the village, and the preponderant portion of our rural population comprises small cultivating owners and landless agricultural labourers. The application of science to our national industry and a consequently much better exploitation of the gigantic resources of this country may bring about bigger figures and bulkier profits but is bound to be for the few. The masses are yet far, far away from ability to share in such benefits: what they want is fair distribution of national taxation as well as of the national income: the Agricultural Commission must pay due attention to the question of inaugurating 'Wages' Boards in every rural tract.

Shall We Produce to Export?

Lord Irwin's pronouncement on the agricultural situation and the directions in which reforms should be prescribed by the Agricultural Commission, offers much food for thought just now when the business of the Commission is being determined and arranged for. We would like to deal with two points in His Excellency's Address. First, Lord Irwin wants a marked improvement in the quality and quantity of our agricultural outturn "as it has become essential to the maintenance of our commercial position." The Viceroy also referred to considerations of financial betterment and economic welfare of the 71 per cent of the population, but in order of importance, India's commercial position appears to have been given the first place: "India has to bear in mind the possibility of organised competition from other quarters in certain lines of supply where she now meets a part of world demand and receives a substantial income in return." The *Statesman* echoes the same opinion when it says that one of the two big tasks before the Agricultural Commission and other bodies interested, is "to convince the intelligence of the country that it is a good thing to feed markets abroad with Indian produce and to take goods that India requires in exchange." Now, it is essential to remember that, small as the land's produce is (compared to the potentialities), crores worth of food material is every year finding its way to foreign markets, while famine and high prices have become a normality seriously affecting the welfare of one part of the country or another. As matters stand in India, it is true to a large extent that commercial emulation in lands beyond the seas and economic welfare of the masses—these do not mean the same thing—to a large degree stand in relations of inverse ratio.

The idea of foreign trade in *surplus produce* is all right, but owing to the peculiar conditions of this

country, our ignorance, poverty and industrial backwardness, our export trade, specially of foodstuffs is being maintained at the expense of the health and comfort of the producers—the masses. Ambition for swollen-up foreign trade figures (resulting from a capture of foreign markets) it was that led the Western countries to their present hardly enviable conditions: look at the Lancashire mills reducing their scale of operations! When the War was declared the whole world full well saw the serious disadvantages of over-dependence for essential commodities on foreign lands: Great Britain had no sugar for years: India had to reduce her clothing on account of shortage in supply and a consequent rise in the price of cotton cloth. It was because of the hardships caused at the time that the Government of India hastened the appointment of the Holland Commission. So soon as 1926, shall we be right in forgetting the lessons of the last war and attempt at a vicious policy of economic imperialism? If world demand comes to be met from other sources than Indian, it should be considered as a matter for congratulation, because thereby the jeopardy to the world's economic welfare will be lessened. Our straight aim should be to raise the local average level of comfort by securing more abundant food and clothing from local sources: a secondary aim might be to dispose of our surplus goods in countries where needed. In other words, India might become the granary of the world, she might draw off to herself all the precious metal of other countries; but so long as the present conditions of life of the rural labourers changed for small occupants are not materially changed for the better, so long she would be gaining the whole world but losing her own soul. Look at the fastidiousness with which advanced Governments in civilised lands guard the standard of living of the population from deteriorating; and what has the

Government of India done so far towards this end? The Agricultural Commission, to discharge its duties loyally, must attach supreme importance to the welfare of the masses.

Secondly, the amount of good that the application of science to agriculture in this country can bring, appears to be rather exaggerated by Western experts. A fact to be remembered in this connection is that by far a very high percentage of the rural population are small landholders the exact amount of the excessive fragmentation being obscure on account of the system of Governments records of landholding in vogue. Implements, machinery, large-scale irrigational works, utilisation of power, experimentation on crops and diseases, artificial manures and economies in transport and trade—it is in these directions that science can expect to help the cause of agriculture; but it does not require much thought to see that almost in everyone of these items considerations of the economic conditions of the average tiller of the soil, and of social welfare, do appear to render the farms of this country not quite congenial ground for the reaping of “scientific” benefits. Improved ploughs our bulls are too weak to draw, steam tractors are out of question where the level of the land is uneven and where holdings consist of acres and fractions thereof. Big irrigation works have done, and will do, a good deal of service in augmenting our annual outturn, but such works by their very nature have to be only few and far between. The smallest engine for pumping water is much too costly for the so-called middle class ryot. Experimentation on crops and diseases has done some good and promises to do much more but the trouble has been till now lack of application by the concerned experts. Inoculation of domestic animals as a safeguard against many infectious diseases, and spraying of areca-nut bunches

with scientifically prepared lotion in order to prevent them from rotting on account of heavy continuous rain, are instances in point. Artificial manures are too costly for the villager, and even in circles where the people can afford to buy costly manure, the cultivators have come to realise that there are grave risks in using chemical manures, their respective suitability depending upon the physical as well as the chemical and bacteriological qualities of the particular plot of land. It is only Chile saltpetre and ammonium sulphate that are a bit popular among the well-to-do ryots, but a proper application of such manures presupposes a departmental staff which India can hardly hope to maintain. And then, how about the facilities for repairs and replacement of parts? No Government in India can hope to set up an adequate number of workshops which for several decades cannot be expected to maintain themselves. Railways have helped, and can help, the export trade, but the ordinary ryot wants tough roads for his bullock cart. So that what comes out of it all is that given an adequate amount of capital available to the meanest occupant, and encouragement to enterprise in order to divert its attention to the soil of the country, a proper use of science will come when times become ripe for such a stage. Rather, the most important work before the Commission lies in effectively providing for the removal of monopoly, oppression, sweating, and usury, and giving the lowest stratum of society a congenial atmosphere for revival. This requires no science in the narrow sense of the term, but penetration to see, and common sense to provide suitable schemes and measures for attaining the end in view.

Science and Indian Agriculture:

Where Application is Possible.

The agricultural conferences we have had recently and the personal interest our new Viceroy has

been evincing in Indian agriculture have brought to the forefront the call for a more effective application of science to this basic industry of the country. The ryot is generally being accused of ignorance, a deplorable conservatism and a pitiable fatalism. Our experts are busy demonstrating the advantages of heavier steel-made implements, chemical manures, machinery for accessory purposes and power for saving labour and quick and much more efficient service. The writer had several opportunities for translating for the knowledge of ryots many such proposals and suggestions for the improvement of cultivation, but as a rule they nodded their heads and gravely muttered that the proposers did not understand the ryot's situation and did not view things from the ryot viewpoint.

What the ryots said came to this. Their environment was practically pre-determined for them, and any improvement they could make was therefore very closely limited in scope. The case of big zamindars was different: such of them who did not prefer the sweets of absentee landlordism could by all means pioneer, test, and even reap the first-fruits: such leadership by the big zamindars would impart visual instruction to the ryots much more effectively than any demonstration the Departmental men could organise; yet the touch between the Department and the big landholders was thinner than that between the ryots and the agricultural officers. The central fact of their economic position was that they, as a rule, were heavily in debt; and if they could not find sufficient means for paying interest and part principal year after year, where had they to bring the capital from to introduce this or that reform? Their bullocks were weak and small, and heavy ploughs would mean the killing of the golden goose. In dry lands, the case of black cotton soil is different, deep furrows and broad slices of soil overturned would mean the escape of

the little amount of moisture which would, under shallow ploughing, continue in the soil and help the crops. Repairs to modern implements would also cost a great deal and skilled knowledge would be required in handling the implements.

The rural population is generally illiterate, but it can hardly be said that they lack in common sense and the power of understanding. The utility of chemical manures is more than offset by the destruction of some of the good qualities originally possessed by the soil in case the "physical" qualities of the soil happen to be different from those presumed by the dispensing agricultural chemist. Investigations in the Mysore Malnad (a notable agricultural tract) showed the writer that in *processes* the ryot did not require any reform, but it was in his general environment. This opinion is supported by J. Mollison in his treatise on Indian agriculture: "To those who are sceptical. I can show, in parts of the Presidency, cultivation by means of indigenous tillage implements which, in respect of neatness, thoroughness and profitableness cannot be exceeded by the best gardeners or the best farmers in any other part of the world. This statement I deliberately make, and I am quite ready to substantiate it."

Albeit, there are various matters in which Science can help Indian ryots, the boundary line being that of the very small scale of operations. Some success has been achieved by our Agricultural Departments in this field but the opportunity for doing more is practically unlimited. And it must in truth be added that more attention this way is urgently necessary than in the direction of theoretical propaganda, and experimentation not warranted by practical problems. Some plant and fruit diseases have been encountered by cheap and effective remedies, insect pests have been in some

cases overcome by adding specified chemicals to the soil, animal husbandry is being facilitated by the increasingly popular processes of inoculation against infectious and contagious diseases (which are even now carrying away millions of cattle annually in this country) and improved strains are being disseminated by the maintenance of touring bulls which are made available to the ryots for covering their cows at nominal fees. Improved varieties of seed have been evolved in important crops like cotton, sugar-cane and wheat, and disease-free seed is being distributed in several parts of the country at cheap rates.

In addition to the really vast possibilities in such directions, there are other items where a great deal remains to be done by Science, like the evolution of a formula for the making of an all-round cheap manure by the cultivator on his farm; the growing scarcity of cattle manure is not a little responsible for the poorer crops we are having these days. Agricultural industries, like the making of raw sugar and the curing of coffee and cardamon, and subsidiary ones like poultry farming, silkworm rearing (wherever possible) and dairy farming, are avenues along which small scale cultivators can progress, to their individual benefit and to that of the country as a whole. Here, Science can do a great amount of service to national production, if only our scientists will devote more attention to commercialising scientific improvements specially improvised for the small scale agriculturist.

Science, in a broader sense of the word, must be able to improve the general environment of the average tiller of the soil, by rendering much more efficient the present arrangements for the construction, restoration and maintenance of small tanks, drains and roads and bridges in rural tracts. To sum up, the satisfactory progress of Indian agriculture re-

quires not so much agricultural research and experimentation on Rothampstead lines (neither large scale nor intensive farming in the American or the British sense of the terms is possible here, nor are they necessary or desirable) as close examination by agricultural engineers and chemists and industrialists of actual rural conditions and problems with a view to apply Science at convenient points for rural reconstruction.

*'Agriculture and Industry: Comparative
Advantages.*

A statement issued by the Board of Management of the Bhadravathi Iron Works, recently, contains facts and observations which should set those that are interested in economic development, athinking. Sir M. Visvesaraya was the original promoter of the concern as Dewan of Mysore, and he is there as Chairman of the Board of Management of the Works, now. First sanctioned in 1918, the Works were expected to be ready for operation by the end of 1919, the original estimate of the cost of construction was Rs. 63.59 lakhs; but the actual production work began in January, 1923, and the final estimate of cost rose to Rs. 211 lakhs, the revised estimate having been Rs. 94 lakhs. But for Mr. Perin who came down specially from America to set the Works on a working basis the concern should have been closed down long ago. The net losses borne by the Mysore Government on account of the Bhadravathi Works amount to 26.33 lakhs, and the reason for the Statement's publication was the wild rumours afloat with regard to the losing character of the concern. After the present Board assumed charge in March, 1923, several improvements have been made: the daily output of pig iron was raised from 30 to 57 tons, Indian staff was trained for many important posts, the last three months'

production has been all sold off, machinery for wood distillation and a pipe foundry have been installed and are expected to yield additional incomes from next year, and the highgrade charcoal iron produced is having a good reception in the market. The causes attributed by the Board for the past sad tale are—high costs at which machinery was purchased, lack of proper supervision and control, change of design without proper sanction and undue delay in the completion of the Works. The iron industry is in a very depressed condition all over the world, and the Board observe that the loss borne by the Government might be reckoned as a subsidy given to the industry “which is the very foundation of our industrial civilisation,”: another suggestion made is to write down the capital against which there are at present no assets. Hopes are, however, held out that the worst period is over and that hereafter, with better prices for iron, lower costs, larger receipts on account of subsidiary industries, the Works may prove financially successful.

Bhadravathi is on the borderlands of the Malnad, and Malnad Improvement has been on men’s lips for over twelve years: it was the same engineer-statesman that gave an official recognition to the growing backwardness of the Malnad and set apart special funds for “Malnad Improvement”: since 1913 over ten lakhs have been spent on this head. This hilly tract is famous for its agricultural resources (the important crops being paddy, cardamom, coffee, arecanut, pepper, etc.), and “improvement” of the tract must really mean better use of such resources by the people of the tract for their own benefit and for that of the whole State generally. Yet in two respects the policy inaugurated by Sir M. Visvesvaraya was not followed up uniformly; measures adopted or institutions set up were not given sufficient time for operation: half done things were

given up for fresh schemes. Secondly, grants made were far from adequate and were frittered over three districts instead of being concentrated for effective use. And to-day, except for some good wells supplying healthy drinking water to the neighbouring population and a few hospitals, there is hardly anything the authorities can show in the shape of improvement.

Now, the half a million population of the Malnad require a more facile supply of capital, a resident labour population, better transport facilities, experiments by agricultural experts for further augmenting the produce of the land; and any one who knows the soil resources of the tract must admit that expenditure involved in providing relief to the Malnad population in the above-mentioned respects does constitute perhaps one of the finest avenues for capital outlay which would not only repay Government in the shape of increased land revenue receipts and a more favourable balance of trade, but also by materially rendering the half a million lives happier: in this case, no dependence on world prices, no foreign enterprise or skilled labour, no competition with gigantic rival producing concerns. And if only the Mysore Government had made up its mind to invest, not 211 lakhs, but a fourth of it in starting and working the "Malnad Works," there should have been, not any net loss, but a ten-fold returning prosperity to the State and people as well. The prolonged debates in the local Legislative Council on the few thousand rupees required for the Coffee Experimental Farm, the over-too elaborate deliberations over the pros and cons for starting land mortgage banks and the scepticism with which the authorities are viewing proposed and desired institutions for recruiting labour and facilitating honest trade, stand in glaring contrast to the trouble taken, the risk run and the results obtained in the Bhadravathi Works.

We wish to emphasise the moral out of these Mysore affairs. Industrialisation is not impossible in this country, there are excellent resources for such a development; yet, it is agricultural development that has infinitely better prospects, and Governments must put forth every effort to divert to that field a good portion of available amounts of capital and enterprise: the lead must be taken by them. In Mysore, if only the authorities put up a strong committee with Sir M. Visvesvaraya as Chairman for handling the question of Malnad Improvement, we are quite confident that necessary capital will be found in no time and active progress will ensue. The results of a thorough-going policy in the Malnad would not be in any way less satisfactory than those expected in the Punjab Canal Colonies. Our argument is not against the Bhadravathi Works, but that Government which has had the courage and perseverance to pursue the iron industry against so many odds, must easily see that Malnad Improvement is an item on which they must at least hereafter concentrate their attention and see that "the blast furnace is blown in".

"Surplus" Cattle to be Dispensed With?

There is a section of speakers and writers who by conviction or by policy paint Indian economic conditions and prospects much darker than could justly be done: balance of trade, they make out, is unfavourable to India normally, natural resources poor, labour inefficient beyond hope, industrial development inadvisable, population too numerous. The imaginary woes of overpopulation have been deplored by Mr. Marten (late Census Commissioner with the Government of India) and several others. Things have not stopped short there: in a recent number of the *Round Table*, a writer condemns the veneration in which "Indians hold cattle. He supports his observation by a quotation from

the Proceedings of the Board of Agriculture held at Bangalore in 1924, in the course of which a member of the meeting adopted a remarkably strange scale of estimating and held that if India should prosper economically, "the multiplication of cattle should be restricted when it comes into direct economic competition with man for the produce of the soil, or makes it impossible for him to develop it to its full capacity." Calculating that one ox or male buffalo must be able to look after the cultivation work of five acres, the member affirmed that there were at least sixteen million excess oxen and he-buffaloes (after allowing a fair margin for calves and old animals) in British India: and calculating that every person in India required one lb. of milk per day, and one cow must yield five lbs. of milk per day and thus meet the milk requirements of a family consisting of five persons, he concluded that eight and a half million cows there were in excess of the needs of the population (after taking into account the milk contributed by goats, and allowing a fair margin for calves and aged cows). At Rs. 6 per month per head of such oxen and buffaloes and cows (cost of maintenance) the expert arrived at an annual loss to the country which was at least four times the land revenue receipts in British India. "What other country on earth pays such a staggering price for the veneration of an animal?" A novel contribution to Indian Economics, this theorem requires a careful examination and categorical refutation if necessary: the *Round Table's* diagnosis will easily be accepted over the Empire.

Do men and cattle compete in India with regard to foodstuff? They do in England certainly, but in India, except for a comparatively small amount of bengal-gram and horse-gram given to cattle in some parts of the country by the

well-to-do, the ordinary food of cattle consists of hay and grass, leaf-crops specially grown for the use of cattle in the off-season, cotton seed, oil-cake and sometimes the refuse from distilleries. It is common knowledge that human beings in India do not consume any of these things and it is difficult to see how else the competition between men and cattle for food can be substantiated. "To develop the land to its full capacity," if we judge from the actual conditions of our ryots, cattle are the chief agency: how much of land a ryot can take up for what kind of cultivation is largely determined by the number of heads of cattle at his service: he wants them to lift water, to make and carry manure, to pull the plough and the other field implements, to thresh the corn, to convey him and his family and wares. "Better" cattle are wanted. All agree to this, but betterment cannot be realised in a year or even a decade: better breeding and feeding must bring about a *gradual* improvement at the best. Shall we dispense with the "surplus" cattle in the meanwhile? Surely, to have four weak cattle in place of a good one is much better than to have two weak cattle!

Ryots need oxen only in pairs for the yoke, and at the calculation quoted above, one pair of oxen must be sufficient to supply enough power for cultivating ten acres. Climatic and seasonal conditions differ widely from those in England, and though theoretically it might be possible to manage ten acres with one pair of oxen, any practical agriculturist in India would laugh at the idea. Very often, at short notice, the ryot has to finish one process or another, and seasons will not wait for him: on an optimistic estimate, a specially good pair of bullocks may be expected to manage three acres on the average: machinery and power help the agriculturist at many points in England but not so

in India. With regard to milk supply the assumption of five lbs. per day on the average means that the average cow must, according to the expert, yield at least ten lbs. (five seers) per day in the milching season (about half the time a cow must be expected to run dry on account of calving, etc.). This again is far too high an estimate for India. Good ryots and householders do not milch their cattle beyond fifty per cent of their capacities, the idea being to leave enough milk to the growing calves.

How about the excessive fragmentation of holdings in India? You may prescribe one pair of oxen for every ten acres, but will every ten or twenty ryots co-operate in maintaining one good pair of oxen? Knowledge of rural organisation in India must convince anybody of the reasonableness of every cultivator, however small his holding or tenancy might be, having at least one pair of bullocks. And the exact degree of fragmentation is not known to all, thanks to the absence of a Record of Land Rights (except in Bombay), and Government statistics based upon *khathas*.

Still another reason for ryots not ordinarily preferring costly cattle is lack of capital. It would not be good finance for the poor, or even the middle class, ryot to invest his all in one or two good pairs of bullocks or cows. For the havoc committed by cattle diseases is nowadays ominously increasing: he would much rather lose in bits than his all at a jump.

There are still 232,924,000 acres of cultivable yet uncultivated land in this country, but the *Round Table* writer does not include these in his calculations. Faced with a very nasty kind of unemployment in urban areas, shall we not turn to these "fair fields and pastures new"?

Even the weakest head of cattle is not all useless: you have the hide and the bone after it is dead, manure when it is living, draught of carts and *ghanis* while it is strong: in fact the uses of cattle in India are so numerous that one remembers the vernacular poem which compares man with cattle and shows how cattle are more useful to humanity. Taking into consideration all these factors, no Indian would agree to the position that there was one single surplus head of cattle, not required. Go to Bengal, to Mysore, to the extreme south, to the Punjab, you hear of the paucity of cows and oxen, from people on the land.

The Old Testament has been quoted. "Man should have dominion over the fish of the sea, over the fowl of the air, over the cattle and over all the earth, and over every creeping thing that creepeth upon the earth." This God-made-the-world-for-me standard of morality underlies Darwinism and not the Hindu conception of the world and the place of Man therein.

In rural tracts, people complain of scarcity of labour: the classical economists and the bureaucratic I. C. S. men herald to the world a helpless overpopulation in India. Cultivators look upon their cattle with veneration and want their services more and more, their number to increase: here are some ultra-experts lecturing to the Round Table on the desirability of reducing the number of cattle in India with a view to increasing the efficiency of the rest. When shall we be spared from such "friends of India"?

CHAPTER V,

FORESTS.

Indian Forest Problems.

The recently announced competitive examination at Allahabad for the selection of two recruits for the Indian Forest Service is in conformity with the new afforestation and Indianisation policy of the Government of India. At present, 103,073,000 acres are covered by forests in India, and among the improvements made in the forest management in the recent past may be mentioned the prohibition of shifting cultivation, the organisation of effective fire-protection, the introduction of silvicultural operations, the success obtained by arboriculture, the cancellation of the licensing system which had promoted indiscriminate destruction of forest assets and regulation of grazing by unconditionally closing reserved forest areas and regarding them as large fodder reserves in times of scarcity or acute distress and permitting the continuance of old grazing rights in protected forests under certain conditions and control. A matter for hope as such improvements are, yet it must be said that some fundamentally important problems connected with Indian forests have not yet received sufficient attention either at the hands of the Governments or those of the public. At the very outset reference must be made to the fact that the curricula laid down in Indian Forest Colleges and the courses recommended in foreign lands for Indian students of forestry, are not of a kind that would enable the men so trained to handle local forest problems with skill and expedition. Cases are not wanting where even enthusiastic "experts" begin learning things about Indian forests after they assume responsibility for this or that kind of conservation. It often times happens that the local ryot knows more about the

qualities and requirements of many a tree or plant than the "jungli sahib." Much more practical training in Indian forests in different parts of the country, must enhance the value of the present courses enormously. Replantation and supervision are yet far from a satisfactory level of efficiency. Anything like a forest survey has not been undertaken. Where forest is virgin and most promising, the general attitude of the authorities is that it is impossible to penetrate into the area and therefore all that can be done is to leave everything to Nature in such areas. The amount of forest produce useful to man and yet literally rotting in such forest areas on account of accumulation and exposure to climatic variations, can be realised only by those who have had an opportunity to go into such areas. The way to improve matters in this direction lies in inaugurating an active policy of laying forest roads and forest tramways. If forest authorities cannot "penetrate" into the forests, there cannot be much difference between them and the lay public. Good bridle paths, elephant passages, lorry roads and tramways must open up our forests before any work of sure and continuous development can be possible.

The declaration of areas near by inhabited or cultivated localities as reserved forest, has not been unknown in recent years. There is a rule that at least a hundred yards margin must be left between cultivated lands and reserved forest, so that the ryot might find no trouble by wild animals taking shelter in the forest, and facilities for fodder, fuel and timber for house-building and for implements might be found in the intervening space. Albeit, investigations show that rules and concessions are not administered in the right spirit, and complaints by the few knowing ryots take extraordinarily long for disposal. The setting up of forest panchayats

for looking after forests in the neighbourhood of villages (which must be constituted into village forests), and in those districts, where the villagers have not yet revived their old panchayat sense to any extent, the administration of the protected forest areas by the Revenue Department, seem to be advisable steps. In tracts suitable for the planting of coffee, tea, rubber or other similar crops the forest authorities do not seem to be pursuing quite a constructive policy. The development of our forest industries is not even at the infant stage. Wood distillation, the manufacture of dyes, paper, matches, pencils, etc., have a practically unlimited scope, yet we do not see much progress except weak experimental undertakings. Minor products of forests—various kinds of oils, seeds, flowers, etc., are all practically going to waste, yet they are being sold at very high prices in European markets. We want a proper linking up with European markets in this respect, but no one has told us how much and of what stuff is available in our forests. The importation of a first-rate Forest Economist from a country like Germany for a period of, say three years, would immensely assist in properly advertising our forest minor products in Germany and other industrial lands. We have among us a large number of forest officers with foreign qualifications, but we want one who knows the European markets thoroughly. In the Indian States, in Bombay and Burma, forests are under Indian control. It is for the powers that be to give more effective attention to this set of problems and harmoniously conserve and utilise the inexhaustible forest resources for the welfare of the present population and posterity.

Forest Management and Indian Agriculture.

Overlooked Claims of the Villager.

In the issue of the 8th instant of the *Times of India* a special article appeared on this subject, the

general trend of which was to run down the policy of entrusting the management of forests around and about villages to village panchayats. These bodies are alleged to lack in technical knowledge and resources for successfully conserving their forest assets, and in a considerable number of cases this responsibility has been withdrawn from village forest panchayats and once again vested in the revenue department. Still, while the past has not been encouraging, it looks pessimistic to preclude the possibility of better results being achieved in the future, under better auspices. The paragraphs below very briefly describe the situation in the Mysore Malnad—an area noted as well for its forest wealth as for the richness of its crops.

Generally speaking—except where forest panchayats are operating—forests in the Malnad are divided into two classes, State forests and District forests. The former category is entirely under the jurisdiction of the Forest Department while the latter is in the administrative charge of the Revenue Department, the technical side of preservation and classification of trees (into “reserved” and other) is, theoretically speaking, the business of the Forest officers. Thanks to the new policy of afforestation accepted both by the Indian and State Governments, special Planning Officers are over the last several years being deputed to reconnoitre the land outside State forests and find out tracts where the percentage of the “reserved” class of trees is so high as to justify their being demarked as State forest. These special officers naturally work on the principle of averaging: any other process is held to be impossible: sample blocks are tested and the results obtained are presumed to obtain over the entire tract surveyed. In this process of establishing State forests anew, the needs and

requirements of ryots living near by do not appear to have been sufficiently appreciated.

There is a working rule to the effect that at least a hundred yards must be left as a margin between agricultural land and State forest boundary line, but personal inspection on the spot showed that in several cases this rule had been neglected. The forest settlement officers had also not duly considered the extent of *gomal* land (village common for the cattle to graze) that was swallowed up by the new forest. With the kind of forest maintenance we are having, the ryot in such areas finds the demarked grounds harbouring numerous kinds of wild animals damaging, sometimes ruining his crops; yet, he has no right to kill them beyond the boundary line, unless he is prepared to be put up before a criminal magistrate as having infringed the Forest Regulation, or unless he is prepared to silence the forester by offering him a good bait. In some cases ryots find their passage from farm to farm or from farm to house impeded by these new State forests.

In the district forests, on the other hand, the ryot is entitled by law to several privileges and concessions, but as a matter of practice these privileges are being largely exercised outside the process prescribed by the authorities. For any and every kind of use of any forest product, the ryot has to apply for and get a *mafi* (gratis) or a *riyayiti* (concession) licence, but the licence granting authority is the Amildar or the Tahsildar of the taluk: even the revenue inspector has not got this power. But the revenue head of the taluk is such a busy official and for so many days on tour that the law-abiding ryot would have to wait for months and months together before his application for a licence was granted: the case of influential and big zamindars is all right because in regard to their

applications the administration operates fairly quickly; and the practically minded small ryot finds that the only alternative left to him is to take the law into his own hands and utilise materials from district forests for the guarding of which revenue authorities are responsible, but only in theory—they have neither the staff nor the funds necessary for the purpose.

Some special grievances of the ryots require early attention. The declaration of areas near by inhabited villages as State forest has been only once in a way, but as a rule the waste surrounding the villages is included in district forest; and the absence of facility for the ryot to keep the said lands free from rank vegetation and wild undergrowth, has in innumerable cases been the cause for the prevalence of malaria, the scourge of the Malnad. Secondly, everybody's property is nobody's property, and villagers generally pay little heed to the necessity for economical use of the district forest materials. For example, the ryots want large amounts of green leaves for the preparation of manure (by a process of allowing it to rot along with cowdung, etc.), but where there are no village forest panchayats the villagers lop off young plants for the sake of leaves (this being the easier means for securing leaves) and this policy resorted to by all of them has inevitably brought about a denudation of district forest areas in the neighbourhood of villages; in fact this is the real reason for the increasing complaint of many villages to the effect that the area allowed by Government to serve as *soppinabetta* (waste land for the collection of green leaves—a marked off section in district forest area) is insufficient for their needs. Thirdly, a rule that insists upon the planter (of coffee, tea or cardamon) to abstain from touching the natural vegetation on

fifty yards of ground on each side of every mountain stream that might lie within the occupancy of individual occupants, in effect divides the concerned estate into as many separate blocks as there are hill currents, the uneconomic consequences of which can easily be imagined. The idea underlying such a rule seems to be that the shade of natural vegetation helps hill currents in retaining their moisture. This is true, but all coffee and tea estates as a rule maintain *regulated* shade over the entire estate. A recommendation was made to the Government of Mysore that such fifty yards strips should be left to be looked after by the planters themselves; for, of the parties interested in the maintenance of the water supply in such hill currents, the planters themselves constitute the most important section and they should be reasonably expected to conserve their moisture resources as carefully as possible.

While this is the kind of relationship that prevails as between the forest managers and agriculturists (where the two are in contiguity), it is quite another story with regard to long-standing thick forests far away from human habitations. Along the Western Ghats, for instance, there are hundreds of square miles of virgin forest whose locality and contents are known to the Forest Department mostly by conjecture. The amount of main and subsidiary forest products that actually rot in such areas can hardly be gauged: in the case of costly products like sandal wood it is the smuggler that penetrates the otherwise impenetrable growth. The Forest Departmental people say that as no means of communication are possible, anything like a scientific survey and exploitation of the forests and prevention of smuggling is impossible; but the responsibility for putting up

suitable forest communications really devolves upon them only.

The present situation, then, appears to warrant the speedy transfer of forests near by villages to the villagers themselves, that is, forest panchayats: in a good many cases where such transfers have been made recently, results obtained show satisfactory improvement in conservation and replantation: the recent Mysore Village Panchayat Act must powerfully help the local Government in relieving itself from the really impossible task (from a central departmental viewpoint) of looking after village forests.

CHAPTER VI

TRANSPORT

Importance of Rural Transport

To the British Government whose chief aim in India was the building up of a homogeneous and consolidated Empire, the urgency for binding together the length and breadth of the country by means of an adequate railway mileage was much more patent than the importance of rural communications for the people's welfare. Even when the powers that be began to think of the material interests of the country as distinguished from the advancement of the rulers, they first took up industry, then fiscal policy, then the currency problem and so on, till very recently when they appear to have become aware of the practical identity between rural development and national prosperity. The present conditions of rural transport facilities and measures to be adopted for improving them to the necessary standard must be carefully investigated into and decided upon by the Agricultural Commission. This country has now got quite a sufficient mileage of railway for making Indian nationality a reality provided other conditions favour such a unification. But when we remember the vast amount of internal local trade and visualise the means of communications at its service we must easily see that impediments have accumulated as a result of decay in rural enterprise and initiative, and neglect by the administrative authorities. To many villages in India only head-loads can go, some are accessible to animal loads, by far the majority are reachable by country carts with difficulty in the summer season, at great cost and risk during the rainy season. A large number of villages become *de facto* islands—singly or in a group—on account of rivers and brooks making

ingress and egress impossible. Imperial roads are all right: the repairs annually are good, supervision efficient, grants liberal. Provincial roads are not hopeless generally, but a progressive decay is setting in, specially in areas where railway services help in excluding such roads from the attention of officers and leaders of the public. District Board or Local Fund roads and what are called popularly village cart tracks, are on the whole in a distressing condition: no proper bridges and culverts, nothing like a possible grant for repairs, no careful supervision, no intelligent plan in survey or initial outlay work. In these days of a noisy railway policy few seem to hear the woes of the rustics on this score. Leave alone convenience for trade, rural people cannot secure such elemental conditions for human existence as medical relief, postal deliveries, visits from relations and friends, etc. In fact this deplorable state of the roads used by villagers, has been more responsible than any other single cause for such ominous numbers leaving villages for towns in recent years.

Can these disabilities of villagers be met by an adequate addition to our railway mileage? The cost involved would be much more than a hundred crores for the whole of India, the time required would be several decades, a high percentage of the original expenditure would have to go in paying foreign firms, and then there is the question as to whether all our loop and feeder lines would pay their way. The average ryot is a small-scale producer and dealer, his goods generally travel only small distances, except in the case of certain exported commodities. Some rustics when they go once in a way to a railway for the carriage of their goods, become specially victimised by rough handling of goods by railway staff, at places where the gauge changes, delay in transshipment on account of

maldistribution of wagons, corruption among the railway employees, and so on. Where the ryot finds, therefore, the distance coverable by his bullocks he very rarely goes to a railway goods clerk. Cheapened and cheapening motor transport appears to offer a suitable and economical way out of the difficulty. We have sunk crores of money on our roads and it is far from a business proposition that all this must be given up in favour of fresh expenditure on railway programmes. To repair and maintain bridges and embankments and cuttings would require much less than what has to be spent on the maintenance of a railway. Indian agriculture flourishes on hills and in valleys, and no railway system can hope to offer so much facility for rural transport as roads can do. Motor transport of passengers and goods should be possible speedily in wider and wider areas provided Governments come forward and give some concessions like the grant of a monopoly to one firm or company over a whole district, the gradual handing over of all mail contracts within the district to the concern, the putting up of telephone lines along the roads for hired use both by the motor monopoly and the public, more reasonable annual grants for the repair of roads and the establishment of a separate Road Section of the Public Works Department. And in spite of all this it will take several decades more for the average ryot to give up his bullock cart: and so long as his fortune is yoked up with his oxen and primaeval vehicle, so long it is good roads and good roads alone that can really and effectively facilitate the improvement in the welfare of the Indian villager. The suggestion made here deserves further investigation by enterprisers and Development Departments. We ask for rural development a well-thought out road policy.

How Improvements should be Possible

Among the several resolutions passed at the recent Conference at Bangalore of the European planters of South India, one on the necessity for developing a Road Fund on the British model, and the other asking for a reduction in the import duty on motors to ten per cent. and its total abolition with regard to commercial motor vehicles, deserve serious consideration. The Mysore Malnad is a tract where coffee, tea and rubber plantations abound. Examination on the spot revealed a state of affairs not generally known; and that in a tract where the general condition of roads is decidedly better than in some other parts of India—thanks to the foundations laid by the British Commission, which was in charge of the State from 1831 to 1881. and the activities of subsequent progressive governments.

Roads are now in the charge of the Public Works Department generally, except in some municipal areas. There are Imperial roads, Provincial roads and Local Fund roads: in addition there are in parts of the country Village roads. The first three categories are Government managed, whereas the last is subject to an Aid system, the responsibility of the Government ceasing with the grant of various amounts in aid for their proper upkeep. Imperial roads are generally all right, the annual grants for repairs being good and the motor cars of the powers that be being almost always thereon. But the provincial and local fund roads have as a rule insufficient initial grants, inadequate grants for annual repairs, and the way in which the little amount available is spent is far from efficient. Frankly, most of the repairs of these roads are make-believe repairs.

On a road connecting a district head-quarter town and an important sea port town, the writer

noticed that for more than four months a wide and deep ditch (caused by heavy rain) in the centre of the road was allowed to continue; it was a feat for carts and motor buses to cross that part of the road. In another case, a bridge which had been washed off during the monsoon season was not replaced for more than a year; the road concerned connected a district headquarter town with the nearest railway station. In a third case, a rickety bridge was suffered to remain for two years, a condition laid down by the P. W. D. during that period of time having been that loaded carts and motor buses going over the bridge should unload before going over it and reload after crossing; the worry and delay caused by the arrangement can easily be imagined. In innumerable cases, carts and motor buses improvise temporary deviations in order to get clear of bad impassable portions of roads.

Grants on pre-war scales can by no means secure satisfactory results: the price level of the materials and the cost of living of the labourers have gone up; yet, few Governments in India have enhanced grants on an index number basis. Scarcity of efficient labour, of enterprising contractors, and lack of sufficient devolution of powers to engineering officers on the spot, are some of the other excuses being put forward by the Public Works officials. But no excuse can diminish the grave impediment to the country's progress as a whole on account of our bad roads. No proper delivery and despatch of post, no medical relief, no administrative efficiency—these and similar defects in rural parts of India are all mostly due to the lack of a sound road policy. In production and in trade non-competitive conditions are so prominently prevalent in rural India mainly for this reason.

.. This is a sub-continent in reality, and the annihilation of distance by quick, safe, cheap

means of communication is the true way for developing a nationality here, economically as well as politically. Our railways are mostly trunk lines and considerations of capital supply, etc., must keep any plan for ramifying the whole country with adequate loop and feeder lines outside the range of practical politics, at any rate for some decades to come. It is no wonder therefore that, the arteries apart, the countless minor blood vessels of the body politic are being served by a phenomenally increasing number of motor vehicles. Rapid as this increase has been, the total number of motor vehicles in the whole country by the beginning of April, 1925, was only about 80,000! The number must have considerably increased by now. For more than a million square miles and a fifth of the human race, even the most rudimentary requirements must need a much larger number of motor vehicles. But the 30 per cent. import duty makes all the difference between a good and a bad business, so argues the wary local capitalist. There are no regular services, the number of trips and the timings being entirely according to the judgment of the 'bus owner, the mileage rates for passengers and for parcels are yet high. In some cases, unhealthy competition is allowed by unlimited issue of licenses, and the end of it all is the disappearance of all the rivals in course of time.

The newly inaugurated Board of Communications in the Punjab, the proposal in the U. P. for empowering the district boards to tax motors in order to be able to maintain the roads in the respective districts in proper condition, the formation of a Road Board in Assam, the Bengal Taxation of Vehicles Bill, the move for a Road Development Fund in Bombay—these are certainly not a bad start in the right direction. But, the situation seems to require, not one, but a series

of correlated arrangements, among which the following are perhaps the more important. Firstly, the management of roads must be detached from the public works departments: as they are, they have too many irons in the fire, and relief this way would be good both for roads, and for other responsibilities of the P. W. D. Special agencies with proper training in the laying and the maintenance of roads, must be put in charge of Road Works: if railwaymen are able to set right even major damages to the permanent way in a comparatively short space of time, there is no reason why there should be greater delay in the case of ordinary roads which require much less complicated processes and much less skill. Secondly, all collections made out of taxes on traffic along roads and on all kinds of vehicles using the ordinary road for movement, must be earmarked for being spent on the improvement and extension of roads. This must be in addition to the grants that Governments will find it possible to make for the purpose. Thirdly, the Road Works Department must lose no opportunity for getting the co-operation of motor 'bus owners using the concerned road, or of motorists' associations using the entire road mileage in an area, in the task of getting suitable, capable contractors for road construction and repair: the interest motor owners have in good roads is naturally so great that any co-operation sought would be most willingly responded to.

Fourthly, it appears highly advisable that over every suitable area as a unit (either a district or two or three, or a part thereof, according to geographical and social conditions) local governments should set up, at least for a decade or two, motor monopolies with the sole right of carrying passengers and goods for a charge within the defined area. Such monopolies, if granted to joint-stock organizations would not benefit individual

capitalists to the exclusion of others. Such organizations would have to be given certain privileges by local governments so that the latter might have sufficient powers of supervision and control in public interests: among the privileges would be the grant of all mail contracts (except along routes served directly by railways) the provision of telephone facilities along important roads for use as well by the public as by the motor monopoly for a charge, and the guarantee of all governmental transshipment of goods (in areas unserved by railways) within the area: while railway companies have such privileges, there is no reason why the motor organizations should not have them. Among the obligations of such organizations would be the regular running of daily passenger services and weekly lorry services along the entire road mileage in the area on which there is no railway competition. In the matter of vehicles and men employed, and on the question of rates, the local Government would naturally have a deciding voice. The practicability of such an arrangement was considered in detail by the writer, and it was found that it would work very successfully. Until such a time comes when we would be able to afford enough capital for railway connection as between village and village, the only hope for opening up the country (not merely for exploitation as at present, but for real progress) seems to lie this way.

Lastly, the thirty per cent. import duty on motors has by now proved itself to be quite uneconomical. The demand for motor vehicles is in India at present highly elastic, and the lower the duty the larger the customs receipts would on the whole be, probably. In brief, the present *urban interpretation* of this country's needs, must be done away with, and as in other matters so in the matter of communications, the village must be uniformly adopted as the unit in all schemes of public utility.

CHAPTER VII

TRADE.

External Trade of India.

A study of the official statistics for 1924-25 should be of more than ordinary interest, for by that year a full decade had passed after the outbreak of the world war. The very first thing that strikes the reader is that, as in the case of a child, India's capacity to recover from serious trade depressions is very great: in 1920-21 our imports were at the highest post-war point (nearly 300 crores) while in 1921-22 our exports sank lowest (about 225 crores), yet by 1924-25 the respective figures had risen to 260 and 380 crores. With increasing irrigational facilities, a more national policy with regard to agriculture and industry, and considerable increase in local enterprise, it can be stated with confidence that the bugbear of an unfavourable balance of trade (made so much of by Mr. Shirras and others) has no future in this country unless once again India is deliberately made to depend helplessly on foreign countries for some of her essential goods, or unless an exchange muddle as of 1920-21 is consciously or unconsciously developed by the powers that be. On his last Budget statement Sir Basil Blackett was congratulated by so many from far and near, but hardly any even did so much as to remember that the prime cause for such a quick financial recovery was the special powers of recuperation possessed by this land and its people.

Remove British trade with India, the premier position of the former's foreign trade would be impossible. It is between Britain and India that we find something like the international division of labour the praises of which were sung by Adam Smith. Ninety per. cent of Indian exports to Britain consist

of raw material and foodstuffs, more than 95 per cent of British exports to India consist of manufactured goods—and that in 1924-25. 1,150 million yards of cloth entered this country from Great Britain in that year whereas Rs. 91 crores worth of raw cotton was exported from India to Britain during the same year. This sort of exchange might be good as between two equally well placed countries (as for example, Japan and Britain) but as between “an elder and a younger brother” such trade must inevitably lack in fairness—in the fierce struggle for existence the weaker party must go to the wall. Two instances may be given: compared to the pre-war price level the prices got by cotton growers in India during 1924-25 were 35 per cent. higher, but the prices of British manufactured cotton goods in this country were 169 per cent higher than before the war. This connotes a heavy net loss to India as a cotton-growing and a cotton-cloth-consuming country, the respective prices of raw material and manufactures being settled not on really competitive lines but on monopolistic bases—the Government of India standing aloof all the while in profound loyalty to the principle on *laissez faire*. Secondly, among the chief exports from India are cotton, jute tea, oil seeds, petrol, rice and hides and skins. Among imports are piece goods (82 crores worth), drugs and medicines (Rs. 181 lakhs worth), provisions—canned and bottled, etc., (392 lakhs worth), liquor (Rs. 328 lakhs worth), manufactured tobacco (Rs. 140 lakhs worth)—97 per cent. of it came from Great Britain—etc. We grow sandal wood in plenty, yet we import large quantities of foreign scents in the preparation of which sandal oil is used as a base: we export huge stocks of oilseeds, yet we are literally living upon “sunlight” soap.

Foreign countries are deriving the benefit of lower price levels here, but these are being maintained as a result of low wage levels (which spell a low standard of life, *ipso facto* a low level of efficiency). "Practical difficulties" there will always be, but if India's position as a partner in international trade should be safeguarded, if she should serve less and less as an exploiting ground, the wage levels must rise in conformity to that standard of living which is considered commensurate both to the nation's self-respect and to the maintenance of efficiency. A minimum wage act must be passed and enforced by local bodies in all productive concerns, and it should be accompanied by a definite policy of adequate protection to home industries to enable them to pay higher wages. This will mean higher expenses of production, less profiteering, less export of raw material and foodstuffs, an indirect encouragement to local industries, less of economic dependence on other countries. The Assembly worried itself so much over a vagrancy law recently, but honest workers who are millions more in number require legislative protection much more urgently. In this country at present the actual producer is much at a disadvantage on account of middlemen left free to bargain to the best of their interests, and nothing short of a minimum wage act can relieve the situation effectively. The results of the recent economic survey in Mysore very much strengthen this view.

A co-ordinate step to be taken by a national government is the levy of reasonable export duties on such Indian products as are of particular capital value to this country itself. Is it not very strange that neither the Todhunter Committee in their Report nor the Finance Member in his Financial Statement said anything at all as to why an export duty

should not be levied on petrol? Even the "discriminating" majority of the Fiscal Commission recommended the levy of such duties on commodities in the production of which this country possessed a more or less virtual monopoly. This is needed, not indeed to harm other nations or exploit other countries, but to ensure to the local population a preponderant portion of the benefits of Nature's gifts which are the country's own.

Trade in Rural Tracts

Disabilities of Ryots

The financial position is becoming easier, the export trade is swelling up, imports of silver and gold from abroad are showing a sharp rise and the general urban opinion is that India has entered upon a period of progressive yet stable agricultural prosperity. In 1923-24 the Indian exports were about Rs. 300 crores worth while in 1918-19 they amounted to about Rs. 225 crores. In 1921-22 we exported 2.9 million bales of cotton, in 1923-24, 3.7 million bales were exported. In pre-war years, about Rs. 45 crores worth of foodgrains and flour were sent to other countries annually, in 1923-24 the value of such exports rose to Rs. 51 crores. A case is made that such increases in exports are due to the fact that the country has more to spare of such commodities. On the other hand, those conversant with rural social conditions generally agree that a process of progressive deterioration has set in. It is held by them that the co-operative credit societies which have been organised in all areas have generally helped the upper middle and middle classes: the occupants of medium-sized and small holdings are subject to the Iron Law of Wages—their net receipts being at less than the minimum subsistence level irrespective of rises in prices or larger yields. In a few select tracts like the Tanjore District or the

Delta lands at the mouth of the Godavari or the irrigated areas in the Punjab, conditions do not seem to be so bad, but in the generality of cases rural welfare is certainly at a much lower level than ordinarily supposed.

The central fact of the situation is that the ryot, a few months after the annual harvest (out of 286,345,000 acres cultivated in India during 1923-24, 34,637,000 acres had more than one crop sown upon them), finds himself under a compulsion to borrow for meeting household and agricultural working expenses. Two reasons for his so running short are his heavy mortgage debts which eat away a good bit out of his produce, and secondly his sale of (or undertaking to sell) the previous year's crop in anticipation. The Economic Survey of the Malnad clearly showed that a powerful cause for the poverty of the agriculturist was his subjection to a clandestine trade organisation treating him unfairly at every point. The Malnad is famous for its areca-nut (*supari*), but the areca gardenowners are becoming impoverished mainly because the trade between them and the *mundy* (wholesale) merchants at Shimoga has been going on all to their disadvantage: the areca grower universally wants advances months before the crop is realised and the trader readily accommodates him on the under-mentioned conditions. Firstly, the borrower should pay one year's interest at twelve and a half per cent. on the amount borrowed whatever might be the time between the date of borrowing and that of the next crop. Even if the loan is taken in July and repaid in October the payment must be of one year's interest. Secondly, the debtor must deliver all his produce (except what is required for his domestic use) to the particular lending *sahukar*. The legal weight of one maund in those tracts is 1,056 tolas,

but as a rule the merchant takes the areca to his custody at 1,080 tolas per maund, this heavier rate being insisted upon as *varthaka saluvali*—(mercantile rate). Thirdly, for every 100 maunds delivered, the ryot has to add *thalarashi* or *labhasere* (allowance for dirt and waste or for “handful for profit”). Fourthly it is left to the merchant to sell the produce at any time he chooses, the rate allowed by him to the ryot at the end of the season being at least one rupee less per maund than the average market rate: this rate is called *seemedharane* (the general rate). Calculations show that when areca sells at Rs. 11 per maund, the ryot who delivers 100 maunds to the mundy merchant is credited with about Rs. 971-8 instead of Rs. 1,100. This charge he bears works out at about twelve and a half per cent. Add to this the interest he has to pay on the debt he incurred the previous year (the number of instances where the loan amount almost completely covers the next season’s crop, are ominously increasing), the real rate of commission paid by him to the merchant works out at much more than 25 per cent. the 12 1/2 per cent. loss being for his entire crop, and the expenses of carting the produce to the merchant’s place (often scores of miles away) being the ryot’s. (The use of weights heavier than declared still in practice in many wholesale shops has been omitted in this calculation).

Cardamon, another important crop of the Malnad, is subject to similar oppression at the hands of the capitalist-merchant class: moneys are advanced on the security of the standing crops by touring Moplah merchants or their agents, and by three or four Manjarabad “companies” (that is, shops dealing in the commodity) which are financed by the merchants from Haveri (in the Bombay Presidency) who have practically mono-

polished the entire trade. The writer, in the course of the Economic Survey, found that while the market price of cardamon in 1925 was between Rs. 100 and Rs. 110 per maund the rates at which the cardamon growers contracted away their crops in return for advances received were between Rs. 75 and Rs. 80. In many cases where Moplahs had made advances the contracted rate was found to be as low as Rs. 55. At a liberal estimate the expenses for taking cardamon to Haveri and bleaching it there amount to Rs. 5 per maund, and the loss borne by the advance receivers are here again at least twenty-five per cent. of the market value of their crops.

Absence of competitive conditions and lack of capital supply for short terms characterise even other crops. In the case of paddy-growers advances entail 5 per cent. commission (*dallali*) to the middleman, another 5 per cent. discount deducted by the lender, and the rate at which paddy goes off at the next harvest turns out to be at least 10 per cent. lower than the market rate, not to speak of interest rate which is at least 12 1/2 per cent. Several instances were found where needy farmers pawned small gold trinkets with *Marwaris* for small loans at 25 per cent. rate of interest; and in a good many of them the borrowers not being able to reclaim their gold on account of their poverty, and not possessing the commonsense to sell off where it was impossible to release, forfeited, not theirs, but their women's all.

It appeared as a result of the investigation of such facts and phenomena, that to help the small landholders in getting their own, and thus augmenting their present pitiable earnings, to help them in raising their standard of living and thereby their efficiency and optimism, an important step to be taken was the organisation of Central Co-operative Selling Syndicates. An attempt has been made in Hyderabad

to prevent unfair prices being realised by cotton growers, by fixing up a Bombay firm for the purpose of receiving cotton from Hyderabad ryots, selling it honestly and crediting the owners with fair prices after deducting a small commission sanctioned by the Hyderabad Co-operative Department. But in actual practice this arrangement has not yet become popular. The ryots have no sufficient perception and initiative, and it therefore lies with the Local Governments to put up Special Officers in suitable agricultural areas in order to form such Syndicates and teach the ryots the benefits of co-operative sale by actual working. Accommodation that ryots want in this connection is of a short-term character and it should be easy for the special officers to arrange for such accommodation with the existing commercial banks—the accounts being cleared off automatically during the harvest season. Calculations show that such Syndicates would not only pay the entire establishment charges from the very beginning, but also permit the accumulation of a useful reserve fund.

Capitalist agencies on whom our Governments are yet largely depending for information with regard to rural welfare, contend that Governments must not interfere in such matters as trade: "competition" must be facilitated. It is hoped that from the foregoing narrative it will be clear that in rural tracts generally, competitive conditions do not prevail. The inauguration of Central Co-operative Selling Syndicates would assist in freeing the field from covert and crushing monopoly. The work of such Syndicates could conveniently and profitably be (1) to advance money for short terms on the security of standing crops, to members and thus save them from the grip of the capitalist-profitier; (2) to collect saleable crops from members through special lorries kept for the purpose; (3) to properly

grade and sample such collected crops and dispose of them in the best market; (4) in the case of food-grains, to serve as grain banks for the benefit of members; and (5) to supply if required urban commodities to members against sums standing to their credit.

CHAPTER VIII

CAPTIAL.

Indian Capital Needs *Field for a Ways and Means Committee*

It often happens that, owing to peculiar difficulties and embarrassing complications in Indian economic matters, the people that are actually in the run of affairs forget or ignore the long-period point of view. On the question of Indian capital needs such a fallacious procedure is certainly not unknown. In the *Times of India* of April 23, 1926, a correspondent opines that the present problem in Indian industry is not additional production but the finding of markets for the current output. Over the next decade, he says, Indian industry will have to be busy not in expansion but in consolidation. Compare with this opinion the scope for capital outlay which is practically unlimited for the development of the natural resources of the country. If Indians should rise to any standard of life worthy of a civilised people, if they should benefit from the gifts of Nature to them, it must necessarily be through further application of millions and millions of capital to production. Dr. Rushbrook Williams' analysis supports this view: "India was unable, despite her wealth in raw materials, to produce more than a small fraction of the articles essential for the maintenance of civilised activities. Development has hitherto been slow: for, few Indian industries, except those based on some natural monopoly, could hope to make headway against the scientific production and organised competition of Western countries."

The true solution therefore lies not in becoming disheartened on account of the present slump in trade, but in raising quality and lowering

costs: for both these, additional capital goes a long way in helping. In fact the capital needs are so great that even the respected opinions of Sir Basil Blackett and Sir Rajendranath Mookerjee (that local capital should be enough to meet all the capital needs of the country) are not accepted by all students of Indian economics. Actively sympathetic as the different Governments have been and are towards speedily improving the national income, inside knowledge shows that lack of confidence about adequate response has made many a Government vacillate over sanctioned projects and schemes (involving large capital outlay); for every project or factory completed or under construction or organisation, there are at least nine such in Government pigeon holes "under consideration" or on account of "financial stringency."

A few instances must be cited. In Hyderabad, thanks to Mr. Ahmed Ali (the Irrigation Chief Engineer), irrigation and hydro-electric works involving an outlay of Rs. 40 crores are before Government all the projects being said to be commercially sound. In Mysore, the Bhatkal Railway and Harbour Schemes (which would have respectively opened up the Malnad and given a direct outlet to Mysore trade with foreign lands) are hanging fire because the Banerji Government lacked in boldness of imagination and resources to follow up Sir M. Visvesvaraya's plans. The Bhadravathi Iron Works require an additional outlay of Rs. 50 lakhs in order to be able to produce steel which is in great demand and under special protection: yet, "balanced budgets" are being made a fetish of without a businesslike distinction between service expenditure and capital outlay. On the request of the Mysore Government the Government of Madras, have allowed fifty years time for the former putting up a dam across the Kapini which will result in a reservoir

feeding a larger acreage than the maximum irrigable area under the Krishnaraja Sagara at its full height. Numerous feeder and loop lines of railway are at several stages of half-hearted attention on account of the same doubt as to whether enough capital would come forth when the productive loans were launched.

A roaming through forests will give some vague idea of the fabulous prospects there are for paper, pencil and match industries. Yet, in spite of Notes and Memoranda by Directors of Industries and Forest Conservators, not one good factory in any one of these industries has been till now set up. And mines are being handed over, even to-day, to foreign companies on terms far from fair to national interests. The correspondent referred to suggests that with the "surplus capital" of India, Indian sterling securities should be bought off: by far the greater part of such securities are productive, they are more than paying their way now, and when local demand for additional productive works is so great, one wonders where the hurry is for the Indianisation of sterling securities.

The correspondent rightly pleads for the constitution of land mortgage banks: agriculturally this country is much richer than ordinarily imagined, but the population working on the land is pitifully poor. Even if the existing banks and banias were prepared to lend enough capital for redemption from oppressive creditors and improvement of land they could certainly not afford to meet the demand. The suitability of land mortgage banks to local conditions was specially examined in the course of a recent Economic Survey of the Malnad: the result of the Survey was to show that coercing sahumkars, a callous administration (not in ideal, but in practice) and courts committed to enforce contracts, all co-operated in setting afoot a progressive desertion of agricultural land for the towns: debt on land blighted

the assets given by Nature. On a modest estimate Rs. 50 crores would be required to ramify the country with a series of land mortgage banks; yet attempts here and there have been made (as in Madras and the Punjab) tentatively and experimentally. And the Mysore Government has been philosophising for the last three years over the difficulties and risks involved and have been putting off facilitating the establishment of such banks on one pretext or other.

A committee recently reported to the Government of India on the desirability or otherwise of utilising external capital for development work in India: the whole Report it has to be said with deference, is a piece of intelligent conjecture and pointless controversy. The much more pertinent and urgent matter for handling was, and is, the task of providing means for making sufficient capital available—it mattered very little whether the capital was foreign or local so long as the terms of the bargain were fair and commercially profitable. A committee of first rate financiers—partly Indian and partly American and European (armed with close knowledge of respective local conditions)—given full and free support by Government and entrusted with the task of gauging the demand for and improvising ways and means for the supply of cheap and efficient capital, is bound to help Indian economic advancement materially. The task requires negotiation as well as knowledge; one may refer to the settlement of the American debt by Mr. Stanley Baldwin, the British purchase of dollar silver through Lord Reading and the tours through devastated Europe of eminent American financiers like Frank Vanderlip.

Rural Indebtedness in India

Returns periodically published by banking houses give us some idea of the nature and amount of urban indebtedness in India. General enlighten-

ment has prevented urban debtors from being unjustly burdened by private moneylenders, and a more or less clear knowledge of the activities of the commercial world, coupled with the fact that these activities are concentrated in small areas, made it possible and imperative for the Government to provide necessary legislation and administrative arrangements for the maintenance of competitive conditions in regard to the relations between lenders and borrowers. But the situation is quite different in rural areas. Neither the Government nor the leaders of the public have had any definite ideas with regard to the nature and conditions of debts borne patiently and for generations by the rural population. Many a co-operative conference asked the authorities to investigate into the matter but all that the Government of India did was to get the Report of the Economic Enquiry Committee on the manner in which economic data could be better secured in rural tracts. Even in that Report Mr. Burnett Hurst has counselled that we must wait till the temperament of the ryot changes. The question of rural debts is one of the most important which the Agricultural Commission will have to tackle. It is generally contended that debts secured by the mortgage of land are the most burdensome on our villagers, but investigations show that loans secured by the promises of labour (one's own or recruited) and by the standing crop are weighing much more heavily upon the poorer ryots and agricultural labourers than mortgage debts do upon landholders. It is only by the organisation of Labour Departments and Co-operative Selling Syndicates that Governments in India can expect to offer some effective relief to the rural classes concerned. For the redemption of landholders from ruinous debts more than one measure of relief are necessary, and we propose to indicate their main features here.

More than ninety per cent. of debts on land mortgage are even now *sahukar* debts, a general feature of which is that no uniform business principles are observed. The *sahukar* has one rule for one borrower, a second for another and so on: in many cases he deliberately allows the encumbrance to grow so high as to ensure the mortgaged properties becoming his own on account of the debtor's inability to find such a large sum of money on the security of the same encumbered properties elsewhere. In many other cases the improvidence or the inability of the debtor or his heirs helps the accumulation of interest, the principal swells, and finally the debt swallows the secured properties. A serious question is whether this class of landed debtors, groaning under proportionately very heavy encumbrances, should or should not be helped by Government action. No land mortgage banks can succour the occupant of land whose debts amount to more than fifty per cent. of the estimated market value of his holdings. The fifty per cent. rule may be modified when land mortgage banks come to stay and inspire confidence among the investing public, but at the present moment when such banks are quite new to the people such a safe percentage will have to be strictly stuck to. One step that has been taken by the Bombay Government for helping this class of indebted landholders consists in empowering judges by the Deccan Agriculturists' Relief Act, to go into the history of debts (for the repayment of which suits come up before them) and to reduce rates of interest and direct payment of decree amount by instalments which look fair in the eyes of the judge, irrespective of the terms of the contract registered. At present judges in other parts of India have no discretion to invalidate iniquitous loan bonds. The Usurious Loans Regulation which is on the statute book of many a Province is not effective as the debtor has no power

under the law to sue for accounts. It is very urgent that all other parts of India should adopt some such legislation as the Deccan Agriculturists' Relief Act. In Mysore, a Government Bill on these lines has just been announced.

Another step that ought to be taken for the protection of helpless landholders who would otherwise be ejected from rural into urban parts and thus contribute to the acceleration of the already high rate of increase in absentee landlordism, is for the different Governments in India to exempt "sub-economic" holdings from attachment against decrees by civil courts. This method of safeguarding "the right to exist" has already been adopted by Governments in the case of their employees drawing less than Rs. 20 per month. Instead of precipitating the desertion of agriculture by the honest, well-meaning ryot whose only fault in reality is his helplessness, the much more statesmanlike policy would be to give him a further chance to stay on the land and repay his debts out of his production, not out of his capital. This measure would never mean any injustice to the lending class: so long as the debt is prolonged, he would continue to get interest—of course at a fair rate. And if he wants his money back, it is generally for lending to somebody else. The establishment of land mortgage banks would facilitate the freedom of the rest of the debtors whose encumbrances were within fifty per cent. of the value of their properties and therefore admitted of being assisted towards reduction or cancellation on business lines.

The Punjab Regulation of Accounts Act

Thanks to the spade work done in recent years by economic investigators like Messrs. Calvert and Myles and Darling, the Punjab has pioneered in introducing and experimenting with several measures calculated to promote social justice and

economic improvement: and the latest of such measures is the Regulation of Accounts Act originally called the Borrowers' Protection Bill. How much exertion the rural capitalist class is capable of when some step prejudicing their interests is contemplated, has been well demonstrated by the extraordinarily vehement opposition put up against the Bill by Raja Narendranath, Nauak Chand and their school. This must persuade the authorities in every part of the country to give more heed to the complaint which the writer has frequently made: the capitalist interests in rural areas constitute a huge obstacle in the way of a correct gauging of the conditions of the different rural classes of population. The numerous ways in which they thwart the dispassionate inquirer's efforts, the covert manner in which many of their dealings are carried on, and the success with which that class has tried to keep local Governments fairly ignorant of the woes of the poorer rustics—all this is an unmistakable proof of the astonishing intelligence of the moneyed class in rural tracts. But, alas, that intelligence is being used to subserve unjust and narrow selfish interests at the expense of the poorer neighbours. The proceedings in the Punjab Council clearly show that if in other parts of India Governments and legislatures want to know rural economic conditions and relations correctly (not every Province in India has had a Calvert), special efforts should be made to shake off the traditional dependence of Government officers and officials on *sahukars* and zamindars for information: in not a few cases did Governments in India put up capitalistic committees to report upon conditions in particular localities, and the results in such cases have been generally a white-washing: the really serious hardships to which the masses are subject have not been realised to any appreciable extent by other Governments in India.

than that of the Punjab. And reports are being continually submitted on the material and moral progress of India:

In this respect of rural debts, conditions do not appear to be different in the Punjab from those prevailing in the South, for example in Mysore; the attitude of the Government towards the Bill was one of sympathy as well as practicality, and on this score Sir Fazil Hussain and Sir Malcolm Hailey deserve to be congratulated. The fact about these loans is that the real rate of interest works at a much higher figure than the *nominal* rate. The Usurious Loans Regulation in Mysore does empower the judge to cut down unreasonably high rates of interest, but in cases of loans other than mortgage debts the debtor has, under that Regulation, no power to sue for accounts, and the judge cannot be in a position to determine the real rate of interest charged by the creditor. In the Mysore Malnad, the writer found on investigation that, in the majority of rural loans, a great deal of complication was deliberately introduced into the accounts by the *sahukar*: in his *samprathipatti* (account book) he jumbled up against each debtor all kinds of loans—those on mortgage of land, on the security of the next crop, and on personal security. The money-lender maintained no other record and gave no receipt. At frequent intervals, balances of dues were struck (including principal, land revenue paid on behalf of the debtor, interest, penal interest, etc.) and the debtor had to make a fresh start with this new round sum: for large sums he had to trip up to the sub-registrar's office and register a new bond for the consolidated amount. It was found on careful calculation that while the general nominal rate of interest was 12 1/2 per cent., the real interest paid by the debtors (mostly defaulters) was not less than 25 per cent. It was on account of this unsatis-

factory maintenance of accounts by the lenders that the writer recommended to the Government of Mysore that in the case of every loan sued for, the debtor should be empowered to sue for accounts. Societies (co-operative and other), companies and business firms in urban areas maintain clear accounts as a matter of routine, and the proposed measure would not affect them in any way.

Sir Fazil Hussain congratulated the opposition on the high level of debate, but this could not have meant anything more than a formal affair. Any stick was good enough to beat the dog with: Government was charged with fathering the Bill, and the climax of the fun came when "Swarajists" under Dr. Narang "walked out" before voting came off. Fine Swarajists indeed who could not brook a measure directly intended for the benefit of ignorant agriculturists! That outside capital would shirk from entering the Punjab, that inside capital would become hopelessly "shy", that the honest money-lender would get discouraged while his dishonest brother would evade the law by oppressing the borrowers more heavily than before—such arguments have been heard before, but it is indeed a pity that Raja Narendranath and his supporters put them forward so seriously in 1926. Even the Indian Penal Code some people do try to evade very seriously, in some cases successfully, but on that account shall we not have that code? Capital is not, and cannot be, mobile in rural India unless through some specially organised institutions like land mortgage banks. And moneylenders would be the first to readjust themselves to changed circumstances; compare how in areas well served by co-operative credit societies, the general rate of interest has tangibly gone down.

There is one big defect in the Bill as passed, and the Punjab Government should have seen their

way to remove it. Loans made by landlords to tenants for agricultural purposes are exempted from the provisions of the Act. Now, it is very easy for a landholder to construe every loan he makes his tenant as an agricultural loan, and this must mean that agricultural tenants will derive no benefit from the Act. The *landless sahukar* will be brought under control, but what about the much more powerful *zamindar-sahukar*? As Mr. Chowdhuri Dulichand put it, the measure is a zamindar measure and not one for the benefit of all agricultural classes. As between the tenant and the occupant it is the former that is in more urgent need of protection by legislation, but he has no representation on our Councils just now. When Sardar Jogendra Singh put in an amendment on the tenant's behalf, the zamindar witans rejected it. It must be hoped that after studying the operation of the Act for some time, an amendment extending the law to debts of all kinds incurred by tenants, will be moved by the Punjab Government and accepted by the local Legislature.

Land Mortgage Banks

How to work them in India.

The establishment of land mortgage banks is by now an accepted principle which is receiving the active attention of practically all Governments in India with a view to expedite actual inauguration. The Bombay Registrars' Conference passed a general resolution on this question: The Punjab, Madras and Mysore Governments have taken various steps in that connection. Indian rural life has a host of peculiarities and for this reason a study of local conditions must better help in the organisation and working of these banks, than experience in other lands or knowledge of foreign models.

It might be possible to work these banks under the Co-operative Societies' Act (as it has been done in the Punjab), but special legislation seems to be desirable for the undermentioned reasons. To inspire confidence in the ryot population and set the ball in motion, the concerned Government would have to subscribe for about fifty per cent. of the shares and debenture bonds (to be made over to private agencies later on when conditions became more favourable for the banks). Secondly a Government guarantee of interest on debenture bonds is an absolute essential for attracting an adequate amount of capital for investment in this new line of securities in India. To further help this end it would be necessary for the Government to treat debenture bonds as negotiable instruments so that a convenient portion of public funds and trust funds might be invested in the bonds. The maximum working capital would also have to be fixed by legislation. Summary powers of foreclosure for debts and judicial powers for hearing suits filed by the land mortgage banks, would have to be vested in the Registrar of Land Mortgage Banks. For this purpose, certain sections of the Transfer of Property Act, and the Civil Procedure Code would as a corollary have to be amended. Lastly, the jumbling up of the credit work now being done by the ordinary co-operative societies and the special long term loans on land mortgage, would lead to many an administrative difficulty and consequent confusion.

At the start a maximum limit of fifty per cent. of the estimated market value of the land offered for mortgage, would have to be strictly observed with regard to the grant of loans. This means that a big majority of indebted landholders would get no benefit from the banks, their present outstanding *sahukar* debts being in excess of the maximum limit suggested above. Relief for this class of debt-

burdened landowners could be afforded by empowering courts of law to go into the history of debts for the settlement of which suits come up before them and to order repayment of the just judgment debt in instalments convenient to the debtors. And then, once land mortgage banks are begun to be worked in a tract, the *sahukar* class must lose their monopolistic position and therefore become much more honest in business and reasonable in terms. This supplementing work which reformed *sahukars* would continue to do side by side with land banks, must on the whole bring about a much better situation than now.

Short term loans would have to be rigorously excluded, for these would bring an additional annual charge which in most cases might spell default and all the other processes in its train. It must generally be presumed that, for redemption from prior debt or for improvement of land, every borrower would take full advantage of his credit at the beginning so that the whole loan might be spread over a decade or two. By giving short term loans the fifty per cent. limit would sometimes be exceeded, and there would have to be two kinds of accounts. Rather the landholder must go to either the existing credit co-operative societies or sale syndicates (which should prove very helpful to the grower in getting his own) for such loans—the security being personal or the standing crop.

Prosperous rural areas are few and far between; and in the average rural condition the formation of land mortgage banks with small village jurisdictions would not be practicable: the directorate of such local banks could not command sufficient confidence for making their debenture bonds convertible in the market. The suitable jurisdiction for a bank of this type would therefore be a district, within which the number of

landholders fit for receiving help from the bank would be fairly large. Every loan would be advisedly paid to the borrower, three-fourths immediately on the execution of the loan bond, the rest during the next agricultural season. For, during the first year after borrowing from a land mortgage bank the debtor would naturally want some money for agricultural working expenses, but at that period he would be unable to find accommodation anywhere. This arrangement would further take down the size of the sanctionable loan to about 38 per cent. of the value of land (for redemption from prior debt) keeping by about twelve per cent for working expenses during the first one or two years. Apparently a hard rule for heavily indebted landowners, this precaution would enormously help land mortgage banks in avoiding limping borrowers.

Though expressly to be run on business lines, the banks must be viewed by Governments as specially intended for the benefit of the smaller landowners: not agricultural, but social, conditions do justify this aim. Loans to absentee landholders would for two reasons—the principle of encouraging cultivating owners, the fact of the absentee landlord's income being less from his lands than the cultivating owner's (other things being equal)—be inadvisable. The maximum and minimum size of loans sanctionable would have to be somewhere at Rs. 10,000 and Rs. 100. There should not be any fear of large funds becoming locked up in few hands on account of the seemingly high maximum; for, the directors would naturally be responsible for administering the funds available as fairly as possible. On the other hand, if the maximum should be fixed at, say, Rs. 5,000, even middle class agriculturists would be unconditionally excluded from getting effective assistance. The minimum limit of Rs. 100 is of fundamental importance. The

1925 Committee on Malnad Improvement in Mysore suggest fixing the minimum at Rs. 500: "the Committee do not apprehend that there will be any difficulty in finding a sufficient number of small borrowers in each locality for forming co-operative societies for borrowing the money from the central bank and distribute the amounts among their members." This seems to be too sanguine a view of rural business talent. A minimum higher than Rs. 100 would certainly defeat the basic purpose of land mortgage banks in India. As an analogy the fixation by the Post Office of four annas as the minimum amount for a Savings Bank account, may be cited.

Productivity of land is yet poor though resources are generally good. If land banks should charge a rate of interest higher than seven and a half per cent. on loans, it is doubtful how far the debtors would be able to maintain themselves and pay interest and part principal year after year. Government guarantee should be able to invite capital at seven per cent. and a half per cent must be taken as sufficient margin (the working expenses of the banks being met by Government either through direct grants or by offer of deposits of trust funds, etc., at concession rates of interest). The Committee referred to above recommended nine per cent: in practical working this would perhaps prove too high.

Difficulties in valuing land and estimating productivity thereof, risks involved in taking garden land as security, the absence of a Record of Land Rights (except in Bombay), the improvidence and illiteracy of the agricultural classes, probabilities of hardships to debtors and creditors in the transitional stage, fears of oppression by Government officials—these are of a kind of cons

which are always there in any measure or institution, proposed or working: safeguard against these lies in proper selection of the bank personnel and cautious guidance and supervision by Departmental Heads and Members of Governments.

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CHAPTER IX

RURAL LIFE IN INDIA.

Census of India, 1921.

The Census of India, volumes 1 and 2, compiled by Mr. J. T. Marten, I.C.S., and issued by the Government of India, are of very great importance: they on the one hand present to the reader the history of the population in India over the past decade and the causes which influenced the course of such a history, in a crystallised form: on the other, the volumes are the inevitable basis for all observations and calculations about the Indian population for the decade 1921-1930.

The direction of the Government of India that much space need not be given to general conditions, geographical, geological, physical, meteorological and ethnical characteristics was wise. As Mr. Marten rightly put it: "The elemental foundations remain. Her ancient and mysterious faiths have not removed the mountains. . . . habit and race persist beneath the development of political and social character which the levelling influences of progressing civilisation induce." On the other hand, special attention was paid in the last census to the collection of statistical and general information bearing on the industrial and economic side of the life of the people.

The area of the Indian Empire is 1,805,392 square miles, and the interesting point is that in 1921 the area of India was found to be 2,675 square miles more than in 1911. This shows how far we yet are from anything like a scientific survey of the whole of India. Indian States occupy an area of 711,032 square miles or 39 per cent of the total area. The Indian population on the census night was 318,942,480 out of which the Indian States had

71,939,187 persons or 23 per cent. of the whole. Thus the population per square mile works out at 177 for the whole of India, 226 for British India and 101 for the States. The increase in population compared to 1911 is only 1.2 per cent.: compared to 1882, the rise in population is only 20.1 per cent. During the last war, the maximum number of Indian troops fighting out of India at any one time was 125,800, while the total number of Indian deaths in that War was 58,238. Influenza was the greatest scourge to India in 1911—20, the total recorded mortality having been at least 8.5 million! And in many cases, Mr. Marten observes there was nobody to record the deaths! While 125 million or 2-5th of the entire population was affected by this terrible disease, Mr. Marten believes that at least 12 or 13 million must have died.

The difficult nature of census operations is revealed when the Census Commissioner admits that in spite of all attempts, actual enumeration could not be had of about 2.5 per cent. of the population. 90 per cent. of the people were enumerated in the districts in which they were born! A stronger proof for the immobility of the Indian population could not be thought of. The urban population amounted to 32.5 million out of which 24 million or about 7 per cent. of the population lived in towns having more than 10,000 population. The birth-rate for the intercensal period was 36 per mille of population in British India while the death rate was 34 per mille. It is a pity that the value of many diagrams and tables is lessened on account of their being only for British India. The Census is for the whole of India and there is no reason why States should not be included under every head. If some tables are for British India and some for the whole of India there is much scope for confusion or miscalculation. It should be hoped that at least by 1931 the Govern-

ment of India would arrange for figures and statistics being more exhaustive and more uniform.

While the increase in population depends upon the difference between the birth-rate and the death-rate and while it is a fact that both the birth-rate and the death-rate are high in India, it still remains an important question as to whether this 318.9 million of population is too much for this Continent of India. Mr. Marten seems a fatalist and a pessimist. He says, "In an agricultural country famine is merely one of the recognised extremes in the obvious relation between population and food. Epidemics such as malaria, the disease of waste-lands, and cholera seem to be bound up with the climate and physical conditions of the country and are familiar in every degree of intensity. Even plague is recognised as a disease of congested areas and has a close connection with the aggregation of population Unless, as is extremely unlikely, there is some revolutionary change in the outlook of the mass of the people towards marriage, it seems impossible that there will be any general downward movement of the birthrate in India for many years to come."

The problem is a grave one but a psychology like that of Mr. Marten cannot be of much use in furthering the happiness and prosperity of India. A high birth-rate by itself is no curse, but it turns out to be such when unaccompanied by a corresponding rise in food-supply. And before concluding as to whether the birth-rate in India is ominously high or not, we should see whether the causes at work for the high death-rate are unavoidable. Mr. Marten says they are. But to us it seems that they are not. And our plea is that the responsibility for the removal of such causes for the high death-rate devolves to a large extent on the State in India. Cannot the food production in India be increased? Is the

system of distribution we have been having of the social dividend a fair one? Have adequate facilities been given to the mass of Indian population in regard to medical and sanitary relief, education and "a fair day's wage for a fair day's labour"? If in a Nature-gifted country like India, Mr. Marten speaks of the inevitability of diseases like malaria and plague and calamities like famine, it either means that the economic potentialities of India have not yet been fully understood or that the magnitude of the numbers has weighed down the optimism of people like Mr. Marten. "She is at a point where her population is controlled by disease and disease only" declares the author. We would conclude this part of our discussion by saying that it is rather out of date for people, specially for a State like the one in India, to believe that disease is a Heaven sent curse that cannot be prevented or remedied.

The situation seems more appalling and the tendency toward pessimism becomes greater when we see the deplorably high rate of infant mortality in India. The Bombay Census Commissioner writes about the City of Bombay: "Of every two infants born, one has to die before reaching the age of 12 months," In the whole of British India, the Infant death rate amounts to about one-fifth of the total death rate for all ages, and *about one-fifth of the children die before the age of one year.* Over 40 per cent. of the deaths of infants occur in the first week after birth and over 60 per cent. in the first month.

The causes which Mr. Marten enumerates for such a calamity have nothing new about them: "On the one hand the vitality of the mother and through her the life of the child appear to be affected by the age at which child-bearing begins, the number of births (or pregnancies) and especially the spacing of births: on the other hand, the health of the child

is closely allied with the circumstances frequently associated with large families, namely, poverty, congestion, malnutrition, insanitary surroundings and the improvidence and ignorance of parents.. Since 1881, the author tells us, there has been a fall of 24.6 per cent in the child mortality of France, 15.8 per cent in that of England, 22.7 in Switzerland, 20 in Denmark and 27.6 in Australia.

Here again the question arises—Is this population of India doomed to suffer like this on account of racial weakness? To our mind it seems that there is no cause for any such apprehension. *The two causes for all this are poverty and disease and the two remedies seem to be a more equitable distribution of the national dividend and the assumption of responsibility for providing adequate sanitary and medical relief by the State.* These are transferred subjects and Provincial Legislative Councils and Ministers have full liberty to do what they please in the matter.

Taken to mean ability to read and write a letter, the total number of literates in India is 22.6 million. If children under five years of age be left out of account the percentage works at 8.2. The percentage for males is 13.9, for females 2.1. In the case of males, the percentage of literates is highest between ages 15 and 20, being 17.4. In Cochin, Travancore and Mysore, the percentage of literacy is pretty high, "The strength of the Christian Church with its wide educational organisation has done much to raise the standard of literacy in South India, specially in the States of Cochin and Travancore where as also in Mysore, the progress is also due to the energy of the administration in furthering educational advancement, a very high proportion of the higher castes in these States being now literate." 2.5 million people are literate in English, 1.6 per cent. of the males and .18 per cent of the females .

224 million or 71 per cent of the population supports itself on agriculture proper. Industries support ten percent of the population, "but the bulk of these are engaged in unorganised industries connected with the supply of personal and household necessities and the simple implements of work." Organised industries occupy only one percent of the people. Trade and transport maintain 6 and 2 per cent of the population. When we remember the manifold ways in which the progressive States in Europe and in America raised the conditions of their respective peoples in various ways and when we see that here in India there is a large amount of wastage of labour on account of maladjustment and lack of better methods of work, we cannot but go back to the same conclusion we drew in earlier paragraphs. Even so recently as in 1921-22, the State spent in India (Central and Provincial Governments put together) 36 per cent. of the total expenditure on military services. 11 per cent on railways, 8 per cent on public debts, 9 per cent on police and jails but *only 4 per cent on education* (25 per cent. is being spent in the U. S. A. on education), 2 per cent on forests, 2 on irrigation, 2 *percent on public health and medical relief and one percent on agriculture*. We do not mean any comment on the size of the military budget which is determined by several factors outside the scope of this review, but we do say that education, agriculture, sanitary and medical relief—these demand urgently a more enlightened State policy. To our mind, it seems, the real and effective remedy for the ills of this ancient land lies here.

Standard of Life in Rural India:

An Inquiry in the Malnad.

Nothing like a scientific department for regularly studying rural budgets has yet been organised in India. A few investigations held here and there

have led to no definite conclusions. Some hold that efficiency must increase before any thought of raising the standard of life can be legitimately harboured; some believe that, reciprocal to some extent as the standard of efficiency and the standard of living are in influence, a rise in the standard of life is of primary importance: without this an increase in efficiency cannot be conceived of. In this connection the following data may be of some interest.

562 families (2,771 persons)—comprising the population of nine villages in different parts of the Mysore Malnad—were examined last year in as detailed a manner as possible, on the spot. This intensive survey was conducted in two stretches with a fortnight's interval. The expenditure budgets in the first five villages (387 families: 1,921 persons) showed the annual expenditure per head of population at Rs. 68-11-8, the figure for the other four villages was Rs. 80-14-7. Poor as the entire population in the Malnad was, the condition of people in the latter villages was better than in the first five.

Items of expenditure considered were the following: (1) Food, (2) Clothing—including bedding, (3) Drink—intoxicating, (4) Housing—repairing charge or rent, (5) Social and religious expenditure—including items like marriage and funeral expenses and charity, (6) Interest payment, (7) Repayment of debt, (8) Sanitary charges, (9) Educational charges, (10) Medical expenses, (11) Travel, (12) Litigation, (13) Other miscellaneous. Local annual average prices were taken as standard while compiling the expenditure budgets. Calculations on the basis of a money economy do not always suit rural conditions. Yet experience shows that at present when money is fast entering into village life, a monetary calculation alone is the most satisfactory though not reaching the ideal.

In 1924, the Central Jail, Bangalore, spent Rs. 131-4-4 per head of convict in the Jail for the year. The huge difference between Rs. 131-4-4 on the one hand and Rs. 80-14-7 and Rs. 68-11-8 on the other deserves serious consideration: the first figure typifies the standard of expenditure considered commensurate to the needs of prisoners by Government, the latter figures represent what is being actually incurred per head of population in rural areas—rather in a specially backward rural area like the Mysore Malnad.

One big difference between the Jail and the rural homes was that in the former there were hardly any children, whereas about a third of the 2,771 persons referred to above were children. It might be contended that adults consume more food, entail more expenditure. But it seems to the writer that this difference, big as it was, was much more than made up by the fact that expenditure under Item Nos. 3, 4, 5, 6, 7, 11, 12 and 13 (enumerated above) incurred by the villagers, were practically non-existent in the case of prisoners. The Establishment and Medical expenditure borne in the Jail appears to work at much less per head than in the villages, for in the Jail these charges connote a high level of organisation and a careful safeguarding of good health by qualified sanitary and medical inspection and aid. The waste in various directions to which the rustic is a victim and the undeserved tributes he pays to all sorts of quacks amount to a much heavier incidence. So that the clear conclusion from these figures and observations is that on nutritious food and congenial clothing much more is being spent on the Jail population per head than in many a rural area. The following Jail details must further support this inference:—

Food for each prisoner (rigorous imprisonment) per day.

Ragi—20 oz. s.

Dhal—4 oz. s.

Meat—4 oz. s. (On Saturdays in lieu of 2 oz. s. of dhal).

Gingelly oil—3|16 oz.

Tamarind—1|8 oz.

Salt—3|4 oz.

Curry powder—1|2 oz.

Onions—1|2 oz.

Vegetables—1 oz.

Firewood—14 oz. s.

Clothing per year.

Male and Juvenile.—

1 short jacket.

1 short drawers.

1 short trousers.

2 small *kumblis*.

1 cap.

1 *lungoti*.

Female.—

1 cloth of 6 yd. s.

1 jacket.

1 petticoat.

2 small *kumblis*.

Every prisoner in a ward shall be allowed not less than 36 sq. feet of ground space and 500 cubic feet of breathing space.

It would naturally be asked—How is it possible for villagers to live on such low averages of expenditure while the rations in jails constitute about the minimum required for the maintenance of physical health? The explanation seems to lie in three direc-

tions. Firstly, the rural families supplemented their actual expenditure on food, etc., by depending as much as possible on charitable or philanthropic institutions or persons in their respective areas (temples, mutts, begging for alms, free feeding on festive occasions in rich houses, wearing cast off old clothes of others, etc). The amount of disservice that is being done to-day by such institutions and persons in helping to maintain a lamentable kind of fatalism and irresponsibility, has hardly been appreciated generally.

Secondly, a further supplement was made in the shape of fruits and roots, vegetables and leaves, fuel (and small game and fish in a very few cases) direct from Nature. The villager saved a considerable amount of expenditure by this kind of stuff got in. This very often did not mean true economy, for the procedure was not optional and, except where Nature was specially kind (as for example in South Canara where fish could be had for the trouble of fishing on any part of the long coast-line), it led to numerous diseases.

Thirdly, the rural population seemed to try to stifle appetite rather than to meet it properly. Whether a commodity consumed was nutritious and health-giving was hardly considered. Many made gruel (*ganji*) in the morning: it meant less grain consumption. Rice beer (*akkiboja*) was an universal food-drink prepared at home—with the same idea of managing with as small an amount of food-grain as possible. A good many untouchables freely used the decaying or decayed flesh of dead domestic animals.

Inefficiency was writ large on the face of almost every person in the nine villages: no power of concentration, no attention, no interest in life, yet they were possessed by a peculiar kind of suspicion,

a precocious knowledge of legal rights. Child mortality was huge in numbers.

It may be, at any rate it must be, hoped that conditions in other rural parts of India are not so bad as in the Mysore Malnad. But we can no longer live upon conjectures and hopes. The immediate necessity for the organisation of intensive surveys in all parts of the country must be patent from the facts given above. With regard to the difficulty of getting correct information, experience in the Malnad showed that once public opinion was created in the village (by means of a meeting of the heads of families in the village) that the investigation was desirable, the poor confessed their all, the rich could not hide for fear of verification and on promise of records being confidential with regard to names.

Life Among Untouchables

Glimpses from the Mysore Malnad.

Abolition of untouchability has been accepted as a desirable objective by practically all parties in this country, and Governments all round are busy opening up general and special facilities for the "uplift" of this "depressed" class, like free studentships and scholarships, admission to the ordinary schools, establishment of special schools, representation in legislative councils, preferential treatment in recruiting for Government service, etc. Several Associations and individuals have been ardently working for removing the disabilities under which the "panchamas" (members of the fifth caste in the Hindu fold) are labouring. While all this effort at social improvement is praiseworthy, yet few attempts seem to have been made to study the life, domestic and social, led by the untouchables, to locate root causes for their backwardness, and then to adopt definite steps to eradicate such causes.

Out of 562 families (2771 persons) examined by the writer in the Mysore Malnad, 139 families (623 persons) were of this caste. It was a general habit among them to feed on the flesh of dead domestic animals in their respective villages. Many lived upon field rats where available. In the season (for about three months in the year) most of the families lived largely upon jack-fruit—not the fruit separated from the extra-ordinarily thick rind, but the whole which got an acid taste when cut across and exposed for a day or two. When man or woman went out to work as a coolie it was customary for the employer to feed the coolie; but while in earlier days rations were given for being cooked by the labourers themselves, the practice is now-a-days growing of the employer distributing the remnants of his own kitchen—in many cases in a half spoilt condition. As a rule they never purchased any clothes or what constituted their beds: they depended entirely on presentation of old clothes by the better-to-do. Even where Government wells were sunk for their benefit these poor folk preferred using stagnant water in pits: they had no ropes nor metallic vessels to venture to the wells, they had no inclination to exert so much for drawing up water from such depths. They lived under roofs which were much worse than hovels, it was a case of annual reconstruction—no repairs were possible. The huts were so small and low that even though they were in the open the house space emitted an awful smell due to the food they consumed or preserved and their ignorance of the bathing process.

Intemperance was prevalent in the extreme, so much so that this was the main cause for their prodigal imprudence and notorious unreliability. How deep-rooted the vice was can be imagined from the fact that the penalty imposed to expiate many a moral offence was the entertainment of the commu-

nity with *toddy* (country fermented liquor)—the amount of toddy varying directly with the gravity of the offence.

They were grossly superstitious: on the average every plot of arable land, every fruit tree, was associated with three devils and the expenses incurred by them in propitiating their village deity (a prominent devil) periodically was disproportionately large:

Socially, they were divided into numerous small groups among which inter-marriage was forbidden. The relative scarcity of women was responsible for a heavy dowry system ("*theras*"—fines compensating the parents of the bride). Many young women were deliberately prevented from marrying so that the parents might get as high prices as possible, but in the meanwhile the former took to cohabitation with men who preferred this relation because they could not afford the *theras*. Such cohabitation led in many cases to promiscuity. At Humchada Katte there were 22 panchama houses among which the institution of marriage had been abolished. Each house was in the possession of a woman and each such woman had a number of cohabiting mates—each keeping on so long as the woman liked—or contemporarily. Children were known only by the mother's name, and mothers were unable to give the fathers' names of children. Six of the women suffered from gonorrhea, and infant mortality was highest among these 22 families out of the 562 examined.

A decade or two ago many were occupants of land, according to local reports, but by 1925 they had all become landless labourers. In numbers too they dwindled in that region: some migrated to coffee estates and towns, many families died away owing to starvation and neglect. The panchamas knew many handicrafts before, such as making of mats and baskets, stitching of rough footwear, etc., but of late they

gave up all such industries partly on account of competition from distant industrial centres and partly on account of improvidence. They are all unskilled labourers now, yet as rough coolies they showed a promising level of docility and endurance. Their labour is in universal demand in the Malnad, still they manage to employ themselves only for about eight months in the year. As a rule they require the bait of an advance and this cuts both ways: it reduces unreasonably the real wage of the coolie, it oftentimes entails loss of capital to the employer—the coolie many a time bolts away with whole or part of the advance still on his head.

Many real difficulties were in the way of enterprising, panchamas becoming occupants; the big landlords always tried their best to prevent such a phenomenon by unhealthy overbidding for *darkast* lands and by keeping extensive plots of arable land in their occupancy without cultivation. But so far as opportunities for work were concerned there did not seem to be any impediments: on the farm any distinction between brahmana and panchama was unknown.

Out of 623 panchamas medically examined, 343 were declared as suffering from some disease or other, 164 suffered from chronic malaria. The figures for the whole Survey were—2771 total number of persons examined, 1409 diseased persons, 1003 suffering from chronic malaria.

From this brief account it will be seen that the wonder is not that the panchamas in the Malnad are so backward but that they have managed to keep on as they are. Of all castes examined it looked as if this community was possessed of the most stubborn vitality: indeed these untouchables constitute the asset and the hope for the future. Economic inefficiency seems to have been responsible for all their ills.

Neither a literary education that is generally avail-

able in this country at present nor an undue rousing of the class consciousness in them by forcing them into temples or by making a few of them taste the sweets of office and the stimulants of democracy, appears to be the effective means for improving the lot of this unfortunate class. The two measures that ought to prove beneficial, judged from actualities, appear to be firstly the organisation of co-operative producers' societies (specially for this class, and in the beginning under Government management) in localities where the untouchables have any artisan traditions still left, and the passing of a minimum wage act (to be administered by local bodies) specially for the benefit of agricultural labour.

CHAPTER X

LABOUR.

Greater India?

Greater India! To any one who has given some serious thought to the question of Indian emigration and the status of Indians overseas, this phrase must sound like a piece of satirical irony. The Government of India's prohibition of indentured labour from India had the most rational grounds, and the humiliation and worry and expenditure the Government and the people are incurring at this moment over our fellow-countrymen fighting against tremendous odds in South Africa is an evil sufficient—more than sufficient—unto the day. That when the Class Areas Bill in South Africa is just on the anvil the Indian Legislature should agree to a notification permitting emigration "for the purpose of unskilled work" to British Guiana is verily the most unkindest cut of all. Even as now in Guiana, earlier in South Africa and Kenya and New Zealand and Fiji, Indians were wanted—to clear forests, pile up irrigation works, build houses, sink wells, etc. But when once the spade work was done, Indians were no longer wanted: they might stay if they liked as coolies, but it was preposterous on their part to aspire to citizenship and equal status with the whites who monopolised the powerful factors of production—enterprise, capital and land. As in the case of Africa, so in the case of America, no man with common sense should expect illiterate unskilled emigrants to receive considerate treatment (leave alone favoured) in foreign lands—colour or no colour. Those people only are fit to emigrate (and if possible found political or economic empires) who have capital resources, who have the backing of a powerful "big" State, who at least are educated free citizens of a free country. In the Guiana

scheme, Indians if allowed to go out would not be able to satisfy any of these conditions. A later stage is bound to come when another Paddison Deputation and another C. F. Andrews would have to make pilgrimages to far-off South-America.

Mr. Bhore talked of "terms" and "undertakings." One really wonders how the Assembly swallowed these terms. Terms are marred as well as made by Governments, and each succeeding Government is at perfect liberty to proceed as it likes—empire or republic. Were there no pledges given to Indians in South Africa? Were the repatriation campaign and the Class Areas Bill ever dreamt of by the early Indian emigrants and the contemporary Government of India? Does the South African constitution permit in its spirit any infringement of the rights of Indians in the Cape Colony? Are not Indians in South Africa "British subjects"? Yes, they are, but the whites have latterly become "British subjects of European descent." At least now, after all these bitter experiences, we ought fully to realise that it is the struggle for existence alone that really operates in actual life: morality is a nice garb to put on when it suits, at other times it is left in the churches or distinguishes monomaniacs. The need for man power within the country was not at all properly gauged by the Assembly, Mr. Bhore spoke as though there were some people in this country whom he liked to see in other lands. Indian agriculture is an avenue of employment which requires millions of workers; different parts of India, for example, Hyderabad, Mysore and Travancore, are advertising for immigrants who would have all facilities for the asking. In 1923-24 the acreage of uncultivated but cultivable land in this country was 232,924,000. In the British Isles there is a scheme which is being worked now for settling Britishers on small farms in that

country. This is being done with a view to safeguard the adequacy of man-power more than to avoid a serious unemployment problem. In India we want a national army, an Indian navy; we want Indianisation in all possible directions. Will it be a wise step to send out unskilled labour which on the whole has the best physique? Greater India! The phrase is tinged with the venom of imperial ambition. India has no place in Guiana: the Guianese and the neighbouring peoples—of today and of to-morrow—have the best claims for those lands, and it would be a criminal thought indeed—at the same time pitiable—for subject India to conceive of greater India.

In new countries, "Indian" and "coolie" are being used as synonymous terms. This tribute being paid to India is a heritage of the past—thanks to the altruistic policy of the Governments of those days in India. Shall we add further support to the perpetuation of this nomenclature? Mr. Bhore hinted that those who are considered as untouchables here may find better prospects in Guiana: they must go there, otherwise it will be "hopeless" for them here. It passes one's reason to follow the psychology of the Government of India which says about this much: the problem of untouchability cannot be solved here, but it can be overcome outside India, by the Government of British Guiana! It is no wonder that General Smuts and his followers look with disdain upon such acquiescence at home and protest abroad against oligarchical institutions. Untouchability has disappeared, it is fast disappearing, it is not there in the broad daylight of India. Furthermore, untouchability there has never been in India in matters economic. On the farm it is the so-called untouchables that are most valued, their co-operation is universally welcomed.

Let us not be so stupid as to pack off the depressed classes or any appreciable portion thereof. We must raise them, it is the duty of the Provincial legislatures to give the necessary legislative help to them.

Rather, the necessity of the hour is a clearer realisation of the greatness of India economically. On a modest estimate it can be asserted that this country must be able to maintain double the present population, with a fair level of organisation and efficiency in productive methods. Avenues of employment to which the nationals must have access sooner or later, have not been availed of till now: military and naval service, industrial occupation, agricultural work, these must be able to employ millions and millions more than at present. Before actually permitting Indians to leave for Guiana, the Government will do well and wisely to consider if this land itself does not need the number intending to go out. A well-organised, self-reliant, dignified India—this should be the right ideal. Shall we not remember that the prime cause for the last world war was the ambition of the Continental Powers for wider “empires,” “spheres of influence” and “zones”,

Agricultural Tenants:

Stay on the Land Must be Encouraged.

A powerful cause for the present by no means enviable lot of agricultural tenants as a class, for their consequent emigration in increasing numbers to urban areas, has been the rise of a series of middlemen between the State, which is held to be the owner of all land in India, and the actual tillers of the soil—“links between the Government and the masses” as the chairman of a recent Zamindars’ Conference put

it. Though *ryotwari* and *zamindari* are the two big varieties of landholding in this country, modification of general principles in view of local circumstances and traditions in the past, has left for us a legacy of highly complicated and varying systems of land tenure. Social status has always been attached to landholding, and, thanks to the attractions of town life and the popular belief in the absolute absence of any risk in investment of capital on purchasing land, absentee landlords are fast swelling in numbers, relying more and more upon agents.

This growing divorce between the cultivator and the resourceful noncultivating zamindar has been responsible for the lowering of the ideal of the former to one of subsistence. Uncertain seasonal conditions, ignorance, lack of resources, poverty of forethought—such factors have co-operated in rendering the tenant a helpless being normally on the verge of insolvency, and therefore a habitual victim to moral despondency. In Bengal, in the Punjab, in Mysore, in Madras, the cultivator who carries on for others has no means for introducing improvements and the absentee landlord has no interest in the estate, except that of rent-receiving. Various kinds of legal and illegal feudal dues and cesses are being imposed upon the tenants: in some tracts as in the Mysore Malnad, the tenants are bound, by tradition, to the land: they are *de facto* serfs even to-day.

On questions of ejection and of rent-raising the Calcutta High Court and the Mysore Chief Court have declared themselves on the side of the zamindar, insisting upon documentary evidence for proving the rights of tenants in the absence of which the tenants would be treated as tenants at will. In the case of leases of lands for a period, it was found that the general practice in the Malnad was for the zamindars to levy 55 per cent. penal interest on default by the tenant: the latter has to sign a printed

form usually, agreeing to such abominable conditions.

Therefore, the central objective which the Agricultural Commission ought to place before themselves in this connection seems to be the removal of the middlemen between the State and the actual cultivator. A landed aristocracy has been of great service in a country like England, but in this country even the zamindars themselves must admit that their good point lies in professions about the future, not in the history of the past, nor even of the recent past: compare the attitude of that class towards the Bengal the Oudh and the Malabar Tenancy Bills. Conquest, presentation on account of some temporal or religious service in the past or in the future, purchase for consideration paid,—such sanctions lie behind these middlemen's privileges and their ancestors. National welfare requires that such hereditary impositions on the masses should be done away with: the Agricultural Commission will do well to discuss the advisability or otherwise of appointing a Standing Commission to deal with big absentee landlords (as contrasted with zamindars staying on the land and sharing in the work) and award reasonable compensations to these parasites on land who must retire: such a thing is being done to-day in Hyderabad with regard to *mansabs* (hereditary pensions).

The reform suggested here is a radical one, and it might be argued that it savours of Bolshevism. Far from that. The actual conditions of our agricultural population (as contrasted with the arm chair zamindars who as a rule have not maintained a high level of conduct or public morality) are so sickening that, if improvement should come at all, it must be the outcome of some decisive and daring surgical operations: the "foreign" matter harassing the agricultural organism must be ruthlessly removed. This would be entirely consistent with the theory of

State ownership of land: ownership ought not to be divided among an indefinite number of parties. Some might contend that the terms of reference do not authorise the Agricultural Commission to handle this subject, but the general authority vested in them to consider all means whereby agricultural improvement could be realised, appears to be quite adequate for the Commission to move in the matter.

Towards the realisation of the same main objective, certain corollary steps would also have to be taken. Firstly the passing of a law to the effect that occupied agricultural land which lies uncultivated continuously for, say, ten years, should be made available to *dārkastdurs* (applicants for land) if any—the authorities in such circumstances automatically getting the right to view such land as unoccupied, would give much better scope to aspirants to occupancy rights in addition to cultivation burdens. Secondly, small bits of land, suitable for cultivation even if included under “forest”, should be granted to applicant ryots: in many rural tracts all cultivable land having any attraction about it happens to be occupied, and if a landless tenant wants to have a small bit of land as his own, there is no way for it: a recommendation to this effect was made by the writer to the Mysore Government, and the Special Committee accepted it.

Thirdly, special attention must be paid to the small cultivating owners, present and potential, by excluding non-cultivating occupants from the benefits of land mortgage banks (which are about to be started in all parts of the country) And the minimum loan from such banks should be put so low as Rs. 100. Also the banks should be empowered to sanction small loans (in hundreds) to landless tenants for the purpose of purchasing land and starting agricultural operations on their own account.

Fourthly, the small tenant must be given special protection similar to that which has been given in some Provinces to Government servants getting Rs. 20 or less per month: the pay of such people cannot be attached by any court of law, the underlying idea being that in such cases the whole of the pay is absolutely necessary for the physical maintenance of the men and their families. In almost all Provinces, policy amounts payable by Government Insurance Departments cannot be attached: they are expressly meant for the wives and children of the policy-holders. On the land, there are millions of tenants in India who cannot be sure even of Rs. 10 a month: yet, Governments in India have till now refrained from offering a helping hand. The principle would have to be legitimatised by legislation and local bodies would have to be authorised to fix up (in accordance to local conditions) minimum extents of dry, wet and garden lands, the tenants or cultivating owners of smaller holdings than which would have to be guaranteed a share (say 50 per cent.) of the actual produce of land year after year. And this, irrespective of contracts, or decrees by courts of law.

Now what is happening is that when seasons prove bad or some other agricultural calamity occurs, Government and the middlemen generally insist upon their contracted shares (assessment and rent), but these can be paid only out of the just share of the tenants. A list of the tenants and occupants who cultivate "sub-economic" farms should be compiled, say once in five years by officers working under the local bodies, and such lists would have to be maintained in triplicate, one with the local board, one with the village accountant, and the third with the civil court having jurisdiction over the area. This concession to tenants is not for helping them to repudiate their just obligations, but to give them time enough, and to spread the hard-



A typical agricultural labourer of the Malnad—Indigenous type. Chronic malaria is very widely prevalent among the labourers.

ships of bad seasons, etc., over all parties sharing the income from land.

Lastly, rural reconstruction requires a special agency: the ordinary governmental machinery is too cumbrous and complex to respond to the special needs of agricultural tenants: and the task is of huge dimensions. To start with, special officers must be put up in particularly backward areas in order to see if such officers (much depends upon the choice of the personnel) could be of any tangible good in encouraging small cultivators to stay on the land.

Mysore Planters and Estate Coolies

The inquiring Rambler can still find quite a large number of old men in the Malnad, whose heyday of life was in the days of the British Commission (1831-1881), and intelligent interrogations elicit from them quite a bright picture of Malnad life in the last and first decades of the 19th and 20th centuries respectively; we have no Government records, no romantic novels, no chronicles of those days within our reach. Planters were then almost all European to whom European capital was available in large quantities and on very cheap terms: their coffee enjoyed a monopolistic position in the world market. The general price-level was low, an indigenous labour population grew plenty of food-grains (for which there were no annual corners as now) and had vested interests in, and attachment to, the land they tilled and dug. Add to this their rational habits of life (part of their food was invariably *ragi*—a nutritious grain—supplementing rice, they had no idea of distilled liquors though they enjoyed locally made fermented drinks, warm and graceful *kumbli* attire protected them from the vagaries of Malnad weather, and in their economy they had a sound training from childhood in the school of agricultural life: no schools: Malnad honesty was proverbial), the Malnad was literally a smil-

ing land—the bulwark against famine and pestilence in other parts of the Mysore State.

By the post-war period the situation had materially worsened: facility of capital supply became relatively atrophied to European planters who by then were put to the task of competing with Indian planters (in many cases, these were “writers” of the “sahebs” before), the Mysore coffee was rivalled by shipments from Brazil and (later) Kenya, the plants began yielding less crop (it was believed) on account of their age as well as scarcity of manure, etc. A sudden rise in the general price level, the adverse influence of the veneer of civilisation (which led them to fashionable but ill-protecting clothes, to the belief that distilled liquor was essential for the maintenance of good health in those regions) and the diminishing attention of Government to the needs of those parts in the shape of upkeep of communication facilities—all this led to a progressive decimation of the Malnad population. The old set of planters gave place to a new class, the local labour population dwindled away, and estates began to depend more and more upon below-Ghat (South Canara), Moplah and Konkani coolies. By 1925, eager as the Visvesvaraya and succeeding Governments were to do something for “Malnad Improvement,” the estate coolies came to possess no vested interests in the region, no stake in the estate’s prosperity. Roughly speaking, they climbed up the Western Ghats in September for work on the estates and in the gardens, and climbed down in April back to their “sweet homes.” The planter could no longer think of the years to come: he could not cherish any interest in the welfare of “his” coolies (they changed from year to year very often). Above all, the labour agent—the “maistry” or the “saregar”—became all in all, dictating in the same breath both to the employers and to the employed.

This is in brief the history of the present labour situation in the Malnad. A pernicious system of advances and a devouring set of recruiting agents (who feed fat on commissions and discounts, more discounts than commissions) have been responsible for a highly demoralised kind of "sweating" among estate coolies. A correspondent wrote in the *Times of India* recently that on the average a male coolie got six annas and a woman coolie four annas a day on the Mysore estates. This is near the actual charge borne by the paymaster, but investigations showed that the majority of these coolies received a net real wage ranging between twelve annas and one rupee per week after deducting instalments towards advances made, and slices cut off by the *maistry*.

The 1921 Census showed 71,818 people in the 13 Malnad taluks, as belonging to British India by birth. At least three-fourths of them must have been coolies from South Canara, and the Census was taken at a time (the month of March) when a good many of the coolies had already returned to their homes below-Ghat after six months' work upcountry. Unfaithfulness and immorality are rife among them now, and at the critical time when planters require honest, steadfast and quick work, these labourers are causing not a little amount of annoyance and loss by their unpunctuality, inefficiency and bad morals. On the one hand many a European planter (it is they who try to do welfare work among their coolies much more than Indian planters do) gets disgusted at the undeserving character of the workers. Coffee plantation on the other hand has had no extension over several years past: lakhs of acres of "coffee kan" are in the occupation of landholders, on which they pay assessment without cultivation. Thirdly, this dependence on migratory labour has been responsible for a huge

drain on the Mysore State's wealth: what should have been the net savings, year after year, of these thousands of workers, does not remain in the land at all, but is wasted on frivolities like drink and marriage expenses (when advances are paid to coolies): a few prudent ones even to-day invest their actual savings in South Canara.

The planters themselves do not seem to have fully realised the impending danger on account of such a helpless dependence upon unreliable labour from far off. Some of them argue like this: "Local labourers are scarce and costly: South Canara labour is cheap when compared to the cost. We do not require labour in large numbers all the year round, and if the below-Ghat labourers go down to the seashore for six months in the year, it immensely restores their health. They know the work, and we had better not bother about a change."

The U. P. A. S. I. has not been able to do much in helping these planters who have splendid scope for expansion and development in the Mysore Malnad. It is the opinion of the writer that the time has come for close co-operation between the Mysore Government and the planters in this matter. There is no extradition arrangement for prosecuting runaway coolies who cross over to the Bombay Province without giving satisfaction to their employers for the advances received, and there is no satisfactory legislation guaranteeing to the manual labourer the living wage. A Labour Department should be organised by the Government of Mysore immediately (other measures may require time and deliberation), the aims before which Institution should be the following; (1) serving as an employment bureau; (2) preventing unhealthy competition as among planters in employing coolies who are still due to others, by a system of registration of coolies; (3) scrutinising cases of malprac-

tice with regard to advances, net weekly wages paid, etc., and affording proper justice to coolies; (4) the organisation of an insurance system for the benefit of the coolies; (5) provision of facilities for colonisation from outside: and (6) encouraging immigration from abroad by proper advertisement.

Agricultural Wages in India

The announcement of the personnel of the Royal Agricultural Commission and the declaration by the Ceylonese Government of its intention to move for the necessary legislation with a view to establish standard rates of wages on estates, brings to the forefront the long neglected question of agricultural wages in India. Under any system of fair distribution, the wage level—even of the most unskilled classes of labourers—must be determined by the marginal efficiency of the concerned labouring class and the cost of production of that kind of labour, that is, the cost of living at the margin. In this country, however, agricultural wages have hardly been influenced by the utility of labour to the employer, the current price level of the commodity in the production of which such labour was employed and such other considerations. The employer has been and is reserving an unreasonably big margin for himself—thanks to the ignorance and helplessness of the landless tillers of the soil. On the other hand, Ricardo's Iron Law of Wages has been having full sway: the cost of living of the tillers of the soil has been continually reduced by a system of sweating—the more deplorable because the less recognised. At this moment, consolation lies in the fact that there are no sufficient and reliable data, and our politically-minded leaders prefer to imagine that things are after all much better than suspected by a few pessimists. The little amount of facts and figures available is in

the case of estates (coffee, tea, rubber, etc.) While almost nothing is known with regard to the real wages got by agricultural coolies on private and small farms, the following typical case must throw some light on the weal and woe of this serf class. The employer makes an advance of Rs. 50 to the labourer: the labourer pays no interest, but is bound to the creditor so long as the debt lasts! He must labour for the lender whole-time at the under-mentioned rations: two seers of the cheapest local corn (per day) with commensurate quantities of chillies salt and tamarind; and one *duppatti* (sheet of cloth), one *jubba* (tunic), one knicker and one *kumbli* (blanket) per year. This contract implies eternal bondage and single blessedness for the worker: for the honest labourer working under such a contract the best ideal would be to maintain good health for the service of the master. In fact the very absurdity of the terms makes many a well-meaning borrower take the law into his own hand and break away from his merciless master.

On estates, the supply of labour is invariably the business of the recruiting agent, and the presence of a third party connotes more danger to the coolies. In almost all estates the general rate of remuneration to the labour agent is 5 per cent by the planter (that is, 5 per cent of the value of the work turned out by the coolies engaged through the concerned agent) and 10 per cent. of the coolie (that is, 10 per cent of the advance made by the planter for a coolie is swallowed, in most cases to the knowledge of the concerned coolie). Weekly wages are generally distributed by the planters through the respective labour agents, and while doing so they deduct instalments sufficient in amount to cover the advance made, in one season. Subtract this instalment and the slice claimed by the agent, it happens in lakhs of cases that the average wage got per week works at between 12



A below-Ghat type of a coolie woman, with her child having enlarged liver and enlarged spleen.

annas and one rupee net. How a coolie manages to pull on with his existence (in many cases supporting either a child or an old person), requires some explanation. Some liberal minded, some fore-sighted, planters—specially European—buy large quantities of the grain which the coolies consume, at harvest time at cheap rates and go on selling that grain at cost price throughout the year to the plantation coolies. Several maintain small dispensaries for the benefit of the sick coolies, some contribute towards Government hospitals near by so that they might look after the health of the coolie population on their respective estates. Valuable as such help is, the bulk of the estate coolie's woes have to be endured by him alone. He has no nutritious food, no provision for continued illness, for old age, for increase in the size of the family. Desperate attempts are made by this class to supplement the small amount of grain they can afford to consume daily, by what they can get from Nature. Where Nature is kind the coolies are lucky, where Nature is inclement their lot is very miserable. An impossible wage is the true cause for the low moral standards that are prevalent among estate women coolies. By their own confession, a good many of them indulge in reckless drinking in order to be able to stifle their appetite!

There is a good deal more to be said with regard to agricultural wages, but what has to be regretted is that the personnel of the Agricultural Commission is not at all promising. India has many peculiarities, but perhaps the greatest peculiarity is that in matters of agriculture in this country experience and knowledge of agriculture in other lands might do more harm than good: local conditions are so singular and complex that foreign prescriptions will hardly suit. While there are some representatives of the landlord class, it is a matter for great pity and

disappointment that there is no one on the Commission to speak for the landless agricultural labourers. It might be argued that all the Members "sympathise" with the said class, but that does not meet the need. At least one man who has the necessary first hand knowledge and genuine sympathy ought to have been there on the Commission. If such representation be not given, Government and the public may rest assured that the truth with regard to this poor, yet vitally important, class will never come out in full. There have been numerous instances in the past where so-called sympathetic land-lords and even progressive Governments in India did not find sufficient generosity and courage to publish truths about the coolies in agriculture, truths which if they had been published should have naturally reflected some discredit on a selfish landlordism and an indifferent passivism.

Urgency for Legislation

The Government of India have of late been engaged with several bills purporting to give labour organisations a legal status, and helping them in securing from their employers reasonable conditions of work and facilities: the International Labour Conference on the one hand and the altruistic services of men like Mr. N. M. Joshi to the cause of labour on the other, have been the contributory causes for this increasing attention of Government to labour problems. But all this is about industrial labour. In two articles published in the *Times of India* of June 1 and June 17, 1926, it was pointed out that conditions prevailing in estates and gardens in the Mysore Malnad were far from satisfactory from the viewpoint of labour welfare: the average wage earned by a male labourer was about six annas per day, but the pernicious effects of the advance system and the malpractices of labour recruiting agents was shown to be the explanation for quite a large number

of agricultural coolies desperately attempting to live upon between 12 annas and one rupee per week. It was further shown in those articles how such an impossible wage inevitably denied a good standard of life to the generality of the coolies, and how inefficiency was increasing among them on that very score. This question, though vitally affecting the country's economic interests, has not yet had anything like an adequate amount of attention bestowed upon it. A reader of the *Times of India* contended that it was futile to talk of a "living" wage for the agricultural coolie in India so long as he did not contribute in a better way than he did towards the produce of land. An extremist journal argued that "a labourer working in his own country (that is India) was in a peculiar sense the residuary legatee of the product of the industry in the country as a whole in which he or his children might directly or indirectly hope to share." Such statements merely mean that in many quarters the really serious condition of labourers in rural India has not been properly gauged.

The recent agreement between the Government of India and that of Ceylon with regard to the wages and other conditions of work of Indian labourers emigrating to Ceylon for work on the plantations, however, offers much suggestion for the improvement of the lot of labourers working within the country. The agreement makes it obligatory for the Ceylonese Government to safeguard the welfare of Indian labourers working in that island in several respects: a standard wage level has been agreed upon for men, those for women and working children being at smaller figures: the island is divided into three parts and each has been allotted a set of standards. There is provision in the agreement for changes in the standards in the light of variations in the cost of living, and each contracting

Government is free to withdraw after giving sufficient notice (six months) to the other. Roughly the monthly expenditure per family per month has been put at Rs. 50|-, and the average wage for the male adult labourer has been fixed at between Rs. 21.6 and Rs. 23.8 (different in the three localities). The Government of India asked for an increase of ten per cent. so that the labourer might have a margin for saving against sickness, old age, etc.; but the Ceylonese Government have, as an alternative, agreed to secure to each male adult worker and to each widow with a non-working child, one-eighth of a bushel of standard rice per month. Among other privileges that will be enjoyed by the Indian coolie in Ceylon hereafter, are the right to demand wages for standard time days (10 hours each) which are fixed at 24 per month, and refuse payment according to piece-work; full and regular payment of wages due for every month before the tenth of each succeeding month; maternity benefit for women bearing children on estates, at Rs. 21|- per week; suitable medical and housing arrangements; and proper educational facilities for the coolies' children.

It is a matter for regret that this agreement has been adversely criticised in some quarters expected to sympathise with the labouring classes of India. It has been argued that the standard wage has been fixed when agriculture (specially the plantation industry) was at a depressed condition. The standard set up, they say, is too near the actual wage level obtaining, and as such cannot be said to be much of an advance upon present practice. The standard has also been held to be too rigid, no adequate arrangements having been made for wages automatically changing with changing cost of living: no free passages from and to India, no provisions for provident funds and insurance premium

payments. A firsthand knowledge of rural affairs must enable any one to see that it serves *no* purpose to soar in the sky like this without reference to actual facts. If in a country like England where labour is so highly organised, it has not been possible on many occasions for the labourers to realise their demands, in this country where the agricultural labourers have had no status and no hearers till now (and even now) the Indo-Ceylonese Agreement should be considered not only as a fair, but as an encouraging beginning. If Indian labourers in agriculture could get these same (or similar terms) in their country, it would probably constitute the most far reaching reform since the days of the Queen's Proclamation of 1858.

Plantations are worked on large scale and for that reason it should be comparatively easy for the new Ceylonese Ordinance to be enforced: in cases where labour is congregated the Immigration Officer and his staff would naturally find supervision and scrutiny practically possible. Secondly the economies the planters realise on account of the scale of operations and knowledge of the world market for their crops, must enable them to afford decent wages to their labourers. Thirdly, the crops grown on plantations are generally believed to be rich in the sense that the prices realised are heavy. For these reasons some might contend that what has been possible in the case of the Indian labourers working in Ceylon, may not be possible in this country itself where the agricultural labourers are scattered over the whole area in very small numbers, where agriculture is generally carried on on traditional and therefore uneconomical lines, where the majority of crops are cheap and therefore cannot permit terms of remuneration like the ones contained in the Indo-Ceylonese Agreement. But, true to some extent as these allegations are, the difficulties

accruing as a result of these, are not insuperable. It was pointed out in the June 17th issue of the *Times of India* that the general law for India must enunciate the general principles only, leaving it to local bodies to administer the law in the light of local circumstances, through local economic officers working under local Wages' Boards. Such officers would have to be entrusted with both investigating and supervising powers. We have Boiler Inspectors all over this country for inspecting the condition and upkeep of steam engines propelling industrial machinery. In agriculture it is the poor coolies that literally "boil"—as a class they are to-day subject in this country to a precipitating process of sweating: it is high time that the Government of India should see how far it is possible for adapting the provisions of the Agreement referred to above in framing a bill for the benefit of agricultural labourers all over the country. Some of the local Governments are busy with plans for passing new legislation in place of the repealed Act XIII of 1859, in Madras they are resolved upon remodelling the Planters' Labour Act of 1903. It seems necessary that no change should be undertaken that does not include the items covered by the Indo-Ceylonese Agreement. At any rate, we had better wait till the Agricultural Commission has had full opportunities to study the situation and give its own considered opinion.

CHAPTER XI

EDUCATION.

Need for Reform

The latest is the bustle about a Tamil university: arrangements are in progress at different stages for universities in Travancore, Tirupathi, Dharwar, Bezwada, Poona, Gujrat and Orissa. While public expenditure on education has been and is increasing rapidly, that on university education is swelling up at a much more rapid rate. Proposals for reform by the Sadler Commission and other bodies are being discussed, but the new universities are in the main a replica of the old five. India is much behind advanced countries in the matter of education, yet in almost all parts of the country "middle class unemployment" is being seriously felt: the Dewan of Mysore recently gave statistics to show how powerless Government has been in finding employment for the "educated". The popular clamour is for linguistic reform, but serious-minded educationists have begun vaguely to feel that the shoe is pinching elsewhere. A very clear analysis of the situation and a practical and thorough-going scheme of reform have been given by Mr. A. Hydari in his recent Convocation Address at Lahore.

The Calcutta University Commission laid down that the aim of education in India should be to develop "character" and "judgment" and to spread "general knowledge." In their own words, "just as the main economic purpose of the co-operative movement is to democratise credit, a chief aim of educational institutions in India should be to democratise knowledge." Training of the judgment is quite an integral part of a sound educational course, and it must be admitted that in the university stage at least the existing system did and does offer some

training that way. Character formation is a huge complex process, and, however attractive the idea might look, it could not and cannot be assumed responsibility for by the average school in India: this was and is possible at Rugby and Eton, but in this country where the student's life as a whole is lived so much outside the province of the school or the college, the best that can be done is to dwell upon the importance of character formation and give it a prominent place among "aims and objects."

The chief difference between those responsible for the present system and those who are for a categorical reform, consists in the connotation of the term "knowledge." At present, even in infant classes attempts are being made to impart ideas about the universe, the globe, the continents, the history of India, grammar, etc., and from bottom to top it is a process of intensifying knowledge covering the same ground more or less. The process of specialisation becomes more and more operative in the higher stages. Such knowledge of a general kind is certainly interesting and worth having, but a knowledge enabling the knower to make a living, to meet his wants, is much more essential. Our general educational institutions have been assuming that for this purpose the youth must go to some other courses: but such courses have been few and far between and entail too long a retention of the learner at school to suit local conditions. Again, a fact overlooked by many is that a preponderantly large majority of children and young men that enter school drop off at the close of the primary or during the secondary, course for obvious reasons. And from this point of view the education offered in our primary and middle schools is neither useful nor liked by the people for whom it is intended.

The following extract from a Report to the Government of Mysore submitted by the writer perhaps puts the case concretely: "Raise the economic efficiency of the villager—that is the most fundamental thing to be done. . . . Parents of the boys have just confirmed my opinion. At least in sixty families I heard the master of the house complaining against the education that was being given to his boys in Government schools. Said they: "You engage the boys for the whole day for four years in the primary schools and for six years in the 'incomplete' middle schools. We at home give them special treatment in the shape of exempting them from our professional and accessory work, just because they are engaged working all the time with you. At school, whatever you teach or do not teach you certainly teach the boys one thing—to sit on benches with minimum physical activity and to use the hand mainly for one thing, namely, writing. What happens? After the four or six years' course the boy returns home to join his parents in work: he enters life (as I have already said a very high percentage of rural families cannot afford to send and maintain their children in towns for years together, nor do they like it). The rough agricultural work which has to be done the boys do not like. They have lost their respect for labour and consider it as mean. Their physiques are weak on account of continuous 'disuse. They always yearn to take up some clerkship or some village schoolmastership or, to go to town. Such of them that get such places cannot maintain themselves with the pittance they get as pay. And the climax of the tragedy comes up when the illiterate uncivilised father is forced to send remittances to supplement the meagre earnings of his 'educated' son." Here is the true explanation for the vital defect referred to by Mr. Hydari: "The production of the country is largely in untrained and therefore relatively inefficient hands." And if the

present educational system should continue for some more time, the probabilities are that the population will become still more inefficient as producers.

Nawab Hyder Nawaz Jung's scheme has, therefore, come none too soon. He advocates education of three classes (not stages)—Essential, Higher Vocational, and University. Essential education should not only include knowledge of the three R's but also provide training in agriculture, gardening and cottage industries (in rural districts) and in crafts (in urban areas). The higher schools should comprise a seven year course (as the first class also) and enable those students who want more than the minimum of education, to become more cultured, but more than that, to become more efficient in their future avocations or professions. University education should be for the few who have the bent for research or the talent for equipping themselves for higher responsibilities. The University should be, according to Mr. Hydari, a 'thinking' as well as an examining and teaching body. Each of the three classes of education would have a completeness of its own fitting the learner to enter life direct. Shorter in time and less costly than at present, the proposed courses would help in making the 'educated' less discontented. Scope for employment would become much wider than at present. "Failures", the cause for a huge amount of disappointment and grief now, would then become rare: the Essential and Higher courses would be much more wordly and practical than the current literary courses and therefore much less the test for mere memory.

For reasons like these, the call of this veteran educationist deserves serious consideration by all interested in Indian education and welfare: "I want the standard of education among the masses to be levelled up and yet at the same time I want to avoid the misery of hundreds of failures in the present

higher—secondary and college—stages, and I wish to utilise the resources thus saved first and foremost for the improvement of Essential education for the masses, secondly for arranging for vocational or professional training to the number and extent of the country's needs in special Higher Schools, and lastly in providing the best possible equipment for work in the advanced University stage for the selected few who have shown themselves fit for it."

Secondary Education: Some Suggestions

At a time when a thorough revision of the secondary educational system all over India in general is about to be taken up, and comprehensive committees are being appointed to go into the question, it may be some good to put down a few observations.

A word may be said at the outset on the importance of secondary education for the country at present. The crying need is for workers—workers capable of serving themselves, their neighbours, their municipalities, and their country. The university-educated community in India forms a microscopic minority. Partly on account of this smallness of numbers, partly on account of the too theoretical sort of university courses we have been having and partly on account of a considerable proportion being drawn away by the Government for its services, that community has utterly failed to meet the needs of the people at large in the shape of social service, political education and leadership, and economic amelioration. Passion for the country, adequate means, even preparedness to sacrifice—all of this there is in ample amount in the country, but what seems to be conspicuously absent is capacity to observe and appreciate conditions existing around and a realisation of one's duties under such conditions. The acquisition of such a capacity and the development of such a sense of self-examination and self-discipline by a sufficiently large

number of people who are bred up and live among the masses, and who can understand the doubts, drawbacks, and difficulties of the *real* people, can be substantially helped only by a thorough practical scheme of secondary education. At present, the propertied classes have facilities to work for the country's good, but that class cannot be expected to guide the destinies of a people safely. The less wealthy classes must put their shoulder to the wheel, and this task requires that a huge band of men and women shall come out of our secondary schools, equipped with an adequate education and training in the required branches of knowledge and work.

What are the present needs of the country, and what is the kind of knowledge and training necessary to be introduced in the secondary course of education? Each nation has its own premises to proceed upon, its own course to follow, its own aims to achieve, and its own mission to fulfil. Social betterment in India requires vast and strenuous spade-work. A substantial humanitarian programme has to be pursued by proper-tempered and properly-equipped battalions. The economic future requires self-respecting hearts, enlightened minds, and industrious hands. The clerical pen has taken the life from the Indian's hand which is now but an automaton. The political needs of the country are being deplorably neglected: a properly educated electorate bearing some appreciable proportion in numbers to the millions of India is the fundamental condition for the raising of the country's political status.

The present arrangement may briefly be reviewed. The secondary course, for example in Mysore, runs over a period of four years, with two public examinations, the S. S. L. C. examination at the end of the first three years, and the U. E. (University Entrance) examination at the end of the fourth year.

The following two tables show the variety of subjects and their relative importance:—

S. S. L. C.

GROUP A—*Compulsory.*

- | | | |
|--|---|---|
| 1 English | } | Public examination |
| 2 Second Language (Vernacular classical or foreign) | | |
| 3 Elementary Mathematics, including Commercial Arithmetic | | |
| 4 Elementary Science | | |
| 5 History of India, Elementary Survey | | |
| 6 Geography of the World, Elementary Survey with special reference to the British Empire | | |
| 7 Sloyd or drawing | | |
| 8 Athletics and Games | | |
| 9 Music | } | Lady candidates—first 6 any two out of 7, 9, 10 11 and 12, subject No. 8 being excluded |
| 10 Needle-work and Dress-making | | |
| 11 Lace work | | |
| 12 Domestic Economy | | |

GROUP B—*Optional.*

- | | | |
|--|---|------------------------------------|
| 13 History of India and History of England | } | Any two of the options to be taken |
| 14 Elementary Economics | | |
| 15 Physics and Chemistry | | |
| 16 Natural Science (Botany and Human Physiology) | | |
| 17 Algebra and Geometry | | |
| 18 Sanskrit or Persian | | |
| 19 Commerce | | |
| 20 Agriculture | | |

GROUP C—*Optional.*

- | | | |
|---------------------------------|---|------------------------------------|
| 21 Industries | } | Any two of the options to be taken |
| 22 Pedagogics | | |
| 23 Trigonometry | | |
| 24 Hygiene | | |
| 25 Shorthand and Typewriting | | |
| 26 Prec s-writing, and Indexing | | |

UNIVERSITY ENTRANCE EXAMINATION.

Courses of Study.

- I. English—Composition, poetry, prose, non-detailed study.
- II. A Second language—Kannada, Telugu, Tamil, Sanskrit, Hindustani, Persian or French. When a student selects Sanskrit or Persian as one of his optional subjects, he shall be required to select for his second language a language other than Sanskrit or Persian.
- III. Any one of the following groups of subjects—
 - (a) Physics, Chemistry and Mathematics or Natural Science.
 - (b) History, Logic, and Sanskrit or Persian or Elementary Economics.

The appropriateness or otherwise of the present curricula has to be carefully examined in view of observations made earlier in the course of this article. It strikes the impartial observer that “English” is given too much importance. “Business” English is what seems to be a necessary equipment for the average citizen. “A sufficient knowledge of the English language to be able to take part in the proceedings of the Legislative Council” is the literary qualification expected of a Mysore Legislative Council Member (Legislative Council Manual, p. 26). So the privileges of English literature must reasonably be reserved for the student who takes a special liking to it and takes it as an optional. As regards the aesthetic side of literature, the real cultivation should be in post-scholastic days, and the vernacular literature prescribed must serve the purposes of an adequate introduction.

The current "science mania" has rendered the curricula quite one-sided. The uses of a good course in elementary science to all students "in developing their knowledge of the surrounding physical world and in developing their powers of observation cannot be exaggerated." "This," says the Calcutta University Commission Report, "is that which by vivid description opens the minds of children to the significance of life and its environment; which shows them by guidance and suggestion how to use their eyes; which trains them to observe accurately, to mark what is significant, to describe in words what they actually see, and to draw correctly such inferences as are within their powers." (Pp. 63-64, Vol. IV, Part II.)

But to create a distinction by viewing elementary science as a compulsory examination subject in contrast to other more important subjects, and to equip the science sections at the cost of other equally important sections is nothing short of unwisdom. Government preference and possible lucrative lines of earning persuade the guardian to put his boy to science, and the large amount of money spent by Government on the equipment of science tells upon the imagination of the average boy and leads him to science. If the present policy be pursued for some time more one should not wonder at the virtual extinction of non-science subjects by sheer atrophy.

Of what utility is the costly post-elementary science instruction so fondly provided and encouraged by Government, and so admiringly taken to and pursued by students? Whichever side one may turn, one sees only three classes of workers who make real use of their scientific knowledge beyond the elementary grade—teachers of science and research students in science and people taking to technical lines. "But," says Viscount Bryce (in whose passing away the world incurred an irreparable

loss), "such work requires an elaborate provision—and an amount of time which practically restricts it to those who make it the business of their life, and puts it out of reach of persons actually engaged in some other occupation." The rest have *life* to face before they think of their scientific knowledge. A number take up law, geology graduates become clerks, and chemistry men become revenue officers. Even the recommendations of the Calcutta University Commission are unfortunately rather partial in this respect. They ignore the value of practical agricultural training in equipping the social and political side of the average citizen when they lay stress only on the need for industrial betterment in the country. It looks as though they forgot for the moment the predominantly rural character of Indian life. They observe:—

"A better secondary education would give to the workshops and factories of the future the responsible leaders which they will require. . . . A good modern course of secondary education should give an important place to the training of the hand and the study of science. . . . "

A publicist addressing in 1897 (when England and America were suffering from a like "science mania") an American audience at the University of Chicago, put the weakness of such a position in very graphic words. "While you are at work on the hydro-carbons in the college laboratory your curiosity and interest are roused by the remarkable phenomena they present. But they do not help you to order your life and conversation aright. Euclid's geometry is interesting as a model of exact deductive reasoning. One remembers it with pleasure. A man who has some leisure and some talent in this direction may all through his life enjoy the effort of solving mathematical problems. But has

anyone at a supreme moment of some moral struggle (or economic) ever been able to find help and stimulus in the thought that the square described on the hypotenuse of a right-angled triangle is equal to the squares described on the two other sides thereof? Extreme as these observations may look to some, nobody can deny the merit they have in revealing the value of an agricultural training as an equipment for work-a-day world men and women. Yet in the curriculum of studies shown above, agriculture and industries are given the status of optional subjects.

The instinct for drawing must be arranged to be developed in the lower classes, and sloyd, in spite of its very useful effect in training "the intelligence of the hand," must be transferred to the group of industrial optionals. Athletics and games must be scored out of the curriculum and introduced into the playing-fields. Religious instruction must be excluded from the class room, while moral instruction as such must be substituted by other subjects social in character and thus having a good deal of moral influence.

The four year secondary course must be divided into two courses of two years each with two public examinations at the end of the two courses respectively. The earlier examination may be called the Lower Secondary Examination, and the latter the Upper Secondary Examination. The former course must consist of a set of subjects compulsory for all students. The list of subjects may comprise:—

(1) English (including grammar, paraphrase, composition and prose).

(2) Vernacular (the Vernacular of the particular State or Province must be made compulsory, inasmuch as the candidate has generally to

spend his whole life in that particular part of the country).

(3) Elementary Mathematics.

(4) Elementary Science (including Physiology).

(5) Practical agriculture in rural areas, and handicrafts in urban areas.

(6) Indian History (with special reference to the physical geography and history of the Province or State concerned).

Part-passing must not be allowed in this examination, all the subjects must be equally well attended to with regard to equipment and efficiency, and the public examination must be in all the six subjects.

The Upper Secondary course must have four compulsory subjects and three optionals. More attention must be paid to the practical side in compulsory subjects. In the public examination each compulsory subject may have only one paper, and each optional may have two papers, the total number of papers thus coming up to ten (the present University Entrance and Intermediate examinations have eleven papers).

The list of subjects should consist of:—

GROUP A—*Compulsory.*

Leading to the proper discharge of duties of citizenship in life	{	1 English (composition only)
		2 A Classical or local language
		3 Agriculture or a handicraft
		4 The Indian Constitution

and

GROUP B—*Optional.*

I.

- | | | | |
|---|---|---|--------------------------------|
| Leading to science teaching
or science research work
or technical professions | { | 5 | Physics |
| | | 6 | Chemistry |
| | | 7 | Natural Science or Mathematics |

II.

- | | | | | |
|---|---|--------|-------------------------|-------------|
| Training the future industrial artisan agriculturist
or industrial scientist | { | 5 | Any one subject, from I | |
| | | 6
7 | Any two of { | Cotton |
| | | | | Carpentry |
| | | | | Leather |
| | | | | Rattan-work |
| | | | | Agriculture |

III.

- | | | | |
|---|---|---|--|
| Training the future specialist
in literature or philosophy | { | 5 | English Language and Literature |
| | | 6 | Sanskrit or any other Classical Language |
| | | 7 | Logic or any Vernacular |

IV.

- | | | | |
|--|---|---|--|
| Training the future specialist in history, economics or politics | { | 5 | History of England or the British Constitution |
| | | 6 | Economic History of India or Indian Economics |
| | | 7 | Indian History or Economic History of England |

V.

- | | | | |
|---|---|---|--|
| Training the future business man, journalist or clerk | { | 5 | Commerce (including Commercial Geography.) |
| | | 6 | Shorthand and Typewriting |
| | | 7 | Précis-writing and Indexing |

Compulsory agriculture would necessarily have to be taught in the local language the use of which may be extended to other subjects gradually.

The plea put forward in these paragraphs is that subjects which help to nourish different faculties in boys and girls must be compulsory for all of them in the "Lower Secondary" course; that specialisation must begin only after such an examination; that while the optional groupings might continue as they are now (with some modifications as suggested above), the compulsory group must consist of subjects which help to equip the future citizen in discharging his social, political and economic responsibilities to his country. Not merely cultural, not merely intellectual, but also material requirements must be provided for in our secondary courses of education.

Unemployment in India:

Functions of the University.

Mr. Rangaswami Iyengar said in the Assembly that it had become very difficult not only for failed candidates to find employment, but as well for university graduates. There was the growing menace of an intellectual proletariat and population was increasing at a more rapid rate than production: it was the duty of the Government to examine the problem through a committee and provide for suitable remedial measures. Macaulay was blamed for having prescribed a too literary sort of education. But, much earlier than last January several Provincial Governments took note of the growing evil and appointed committees and boards and bureaus, as for example in Bengal, Madras and Mysore. Even the Calcutta University Commission did refer to the cumulative character of this problem, but the truth has been that, numerous and ponderous as these boards and their deliberations

have been, the country has not been offered a practical definite scheme for adoption and Governments have naturally been unable to proceed far: more than financial stringency the lack of a clear-cut policy based upon an agreed programme seems to have been responsible for the continual postponement of effective action.

Now, educational organisation very largely determines in any country the facility or otherwise for adequate employment of the population. This side of 1920 Education has been a transferred subject: educational expenditure has been increasing rapidly, yet those responsible for educational policy have always either neglected or let alone the economic bearings of the educational system on the country's welfare: intellectual training has been practically the sole ideal of our educationists in general. Whenever the question was asked as to how these square products of universities and schools should be fitted into the rounds of employment either available or desirable to be created, they have always affirmed that it was not their business to bother about it. The present dislocation between the demand for and supply of appropriately qualified and trained labour is entirely our own making: hardly has there been over the past decade an educationist claiming to represent popular interests and needs who did not co-operate more or less vehemently in the creation of a new "university", yet hardly any seem to have appreciated the necessity for correlating the contents and courses of education to the need and scope of multiplying the national product. Instead of being a training ground for life our educational institutions have been mostly the training ground for offices. Nobody seriously talks of agricultural training for all, but long statements and heated debates have taken place on the question of compulsory military training.

Our universities have been—Macaulay or Curzon, Sir Syed Ahmed or Brajendranath Seal—examining (latterly teaching) bodies manufacturing a progressively increasing number of diploma holders, an integral part of the training consisting in looking upon Government service as the best (and only) avenue of employment. So rich a country as this with so much development work to be done by human brains and hands, has never had such poverty of outlook and understanding in the matter of employment, in the history of this world. Two reforms are therefore immediately necessary: firstly, the university which is the most suited body must busy its mind to see what education must connote from the point of view of national welfare: not only should literacy and judgment and character be provided training for, but the avenues of employment possible (channels of production that need to be utilised) must be seriously and scientifically explored. In Mr. Hydari's words, the university's proper role is "the control and revision and reform of education in accordance with the country's needs. . . . research and specialisation and also the investigation and consideration and solution of the educational and cognate problems."

What is the population that India's "land" can sustain at a certain level of agricultural efficiency? No one seems to have thought of this fundamental question, yet people are busy trying to stay in inhospitable lands, trying to mesmerise themselves into the belief that overpopulation in India has gone beyond the controllable point. Secondly, the university must estimate the demands for services in different grades and kinds of employment and roughly lay down the limits for the numbers to be trained in one course or the other. This is being done in advanced countries: in England, professors of universities specialise in studying markets and prices

and index numbers and wage levels: in this country, the "elders" in Economics taboo any such study and stick to indulgence in the province of theory with no heed to actualities: "academic" view of Economics (as of other subjects touching the everyday life of man) is held as orthodox.

As a corollary it follows that the head of the university must be the member in charge of the education portfolio (as was for some time done recently in Mysore), he must be a practical economist and financier in addition to being an educationist at the present standards, and he must be able to open up new courses training men for new occupations—new to the quill-drivers of to-day. The hard and unromantic problem of the national commissariat must be faced by him and his lieutenants. The present-day mania for putting up gilded domes of universities on educational hovels resting upon age-long crutches must be seriously discountenanced: the present policy is not only an infringement of the law of equi-marginal utility but a huge waste of resources on a system which is swallowing the bulk of our educational grants, only to produce discontentment (unaccompanied by an increase in productive efficiency), divorce from national standards of living and thought, a particular lack of enterprise and optimism. What Mr. Hydari calls "essential education"—a course of seven years compulsory on all of the school-going age and comprising agricultural or industrial training as well as literacy, must be attended to first and foremost. Mr. Hydari rightly holds that essential, higher vocational and university courses must each be an independent and complete course catering to particular lines of employment, so that there could not be any unhealthy competition as among the three. If in accordance

with the wishes of the Assembly Government are going to appoint a Committee on this question of unemployment in India, it must be hoped that they will give due importance in the terms of reference to the changes that are desirable in the outlook and organisation of our universities.

CHAPTER XII

RURAL RECONSTRUCTION.

How the problem Arose.

Numerous influences have been responsible for the new angle of vision with regard to Indian rural matters. "Development" work has been undertaken on a liberal scale in all British Indian provinces with a view to improve the conditions of village-life: the Punjab Government's efforts in the direction of consolidation of holdings through the energetic initiative of Mr. Calvert, the Madras Government order sanctioning Rs. 4 lakhs for starting four land mortgage banks in suitable places, the Bombay arrangement for training and entrusting village school masters with medicine dispensing work, the all round increase in veterinary hospitals—these are recent instances for the increasing attention being paid towards agricultural needs and difficulties.

A matter for satisfaction as this new tendency is, it appears that in the majority of cases the methods adopted by several governments are not helpful in bringing about a realisation of aims; the acceptance of policy is all right but the approach made to the problem of rural reconstruction does not seem, generally speaking, to promise quick and tangible results. The dimensions of the problem, the intensity of the required relief, the work that has to be done, do not appear to have yet been properly estimated. The powers that be have not yet had sufficient material and time to enable them to take to an adequate programme. To determine the nature and amount of work to be done, it is necessary to see how the problem arose.

In the course of Indian history, conquering races immigrated, kingdoms rose and fell, but the village

economy of the country was always left intact and uninterfered with by Mahomedan, Moghul and Marhatta as well. If land revenue was burdensome and greedily collected by unscrupulous farmers of revenue who did nothing for the villages, it was also a fact that the village and its panchayat were at full liberty to do what they liked with regard to matters affecting the village community's interest. Long before our Compulsory Education Acts were placed on the statute books, many a village had its own school—financed and supervised by the locality, answering local needs much better than our present-day schools. Village tanks, wells and roads were attended to by the panchayat whose instructions were carried out by the community at large, and justice in all but extraordinarily serious cases was administered by the village elders. With the advent of British rule in India, Government began to be carried on on British lines—by Acts and Regulations and Notifications; police work, the administration of justice, public works like roads and tanks, forests, etc., all fell within the jurisdiction (not merely for assistance or supervision, but for actually administering) of Government by one Act or another. “And this extension of Government functions spelt the dispossession of the village communities of the local powers formerly enjoyed by them as a matter of mamul. This dispossession was all the speedier on account of the effectiveness of the British Government which was much more than that of any previous regime.

Notwithstanding, while the efficiency of the British Government was thus able “to dispossess the swain” of their right to look after their own local business, it proved quite unequal to the task of filling up the gap caused by itself. Concretely, the Indian Penal Code and the Criminal Procedure Code made it *ultra vires* for non-magistrates to try criminal cases and award punishments, but the magisterial

seats set up by the British in India are even to-day quite unequal to the task of punishing crime; it is a common knowledge that in many a case the aggrieved party suffers the wrong done quietly in preference to complaining to the legal authorities, which involves the party in a great deal of inconvenience and loss of time and money on account of the distance of the court from his own place and his ignorance of the laws detailing his rights and duties. Legislation with regard to tanks, roads and forests never suited rural conditions; the rustics gave up the work for public good they were doing before, lest some law should bring them to trouble, their corporate spirit became atrophied, but the task proved too enormous for the Government. Village roads and tanks and wells fell to decay, and here and there people began to set up agitations for Government doing this and doing that; in fact, the habit of not doing work for the welfare of their own village grew and grew, and as in matters of defence, military and naval, so in economics, urban and rural, the population began to look up to the Government for everything. When an M. L. C. was asked by me to give his opinion as to the advisability and practicability of starting a Land Mortgage Bank for his area, he solemnly replied, "Government know that we are deep in debt. Agriculture is of vital importance to the country and the Government. I have absolutely no hesitation in saying that Government ought to borrow some crores of money and lend it out to us interest-free. I know that Government cannot borrow at less than 7 per cent. But we cannot pay the Government more than 2-1/2 per cent. at the most."

Mysore Leads.

A truth of supreme importance which all should bear in mind at the present moment is that no Government in India can give any effective help for the

betterment of rural conditions by measures which do not contemplate the co-operation of the villagers themselves: for the administration of justice, for police work, for the repair and maintenance of tanks, roads and wells, for the conservation of the village forests, any army of officers and officials will prove insufficient unless an arrangement is made whereby local co-operation is ensured. Another truth of equal importance is that *at present* the individualistic spirit which has basked under the British flag for decades together, will not permit even the out-of-the-way villager to heartily co-operate with Government agencies in rebuilding the rural structures.

At some stages an enlightened Government must force the unwilling patient to swallow the pill: Bismarck flouted the Prussian Parliament: at the early stage of the Industrial Revolution in England labourers destroyed machinery. Now in India co-operation by the people in rural economic development must be made compulsory by laws: benefits arising out of it and wide propaganda by legislators advertising the genuineness of the intentions underlying such compulsion will very soon remove the small opposition that may be there: in my own researches in rural parts of Mysore I found that there was a widely held opinion among the ryots themselves that Government must compel every villager to do the allotted work for the common good; in default he must pay a fine or an additional cess.

The attempts of the Government of Mysore to re-organise village life fall into three stages: first that State tried the step of amputating villages into sections and placing each section in charge of one of the Departments of the Government: tanks and roads were placed within the jurisdiction of the P. W. D. aided and private schools were discouraged by Mr. C. R. Reddy and he outlined a scheme of free elemen-

tary universal education in Government schools in all parts of the State in his Educational Memorandum: forest areas with "reserved" trees were placed under the Forest Department, and civil and criminal courts had long before done away with village juries. Side by side with raising the efficiency of the several Departments by strengthening the personnel, raising salaries, etc., the second stage arrived at by Mysore was that of 'inviting' local co-operation: honorary bench magistrates were appointed for taluk areas and urban areas, village munsiffs' courts were experimented with, tank panchayats and forest panchayats were encouraged to be formed, and subsidies were offered for the construction and maintenance of roads, wells, school buildings etc., to local communities or individuals. Accordingly local panchayats or committees were formed in many places, but experience showed that they hardly functioned. Subsidies were received but the work was not done or done unsatisfactorily.

Of late that State has arrived at the third stage: no longer is the Government or the Legislature contenting itself with mere enunciations, no longer is it prepared to leave rural matters in the hands of officials and local bodies, but it has inaugurated the wise practical policy of declaring public service in villages a duty laid down by law and involving a penalty. A few of the steps taken are enumerated here to illustrate the point.

Tanks are the very life blood of the body politic in rural areas. In every part of India it is only a system of efficient tanks that can assure a good crop, healthy cattle and industrious men. The seriousness of the agricultural situation on account of the present neglected condition of our tanks big and small, cannot be exaggerated. The last session of the Assembly in Mysore passed a resolution mak-

ing it obligatory on the part of villagers to maintain restored tanks in the village the failure of which would involve the payment of a cess which would cover the cost of maintenance by the P. W. D. through coolie labour.

Contageous diseases of cattle must be reported by the owner of the affected cattle to the authorities and segregation of the affected cattle in pounds put up by Government is insisted upon, by another resolution: feeding charges (but no charges for treatment) must be paid by the owner if the animal survives.

Introduction of agriculture and hand-spinning was asked for by the Assembly, in all middle schools of the State. In so far as the Compulsory Education Act is being enforced in that State over a wider and wider area, the element of compulsion indirectly comes in even in regard to agricultural education and spinning.

On the other hand where local bodies come forward with schemes for improvement in matters of sanitation, communications and water supply, on their own initiative, the Government of Mysore has accepted responsibility for making grants. This measure will benefit those areas which have already got a sufficient amount of public spirit.

In numerous directions we want improvements: Government alone cannot hope to bring them about, people by themselves have no means, no enlightenment, no eagerness for the "common good." To bring about consolidation of farms, redemption of agricultural land from oppressive debt, freedom from unemployment and scarcity of labour—and many other economic reforms, the British Indian Legislatures and the authorities in Indian States must have recourse to compulsion as the timely expedient: there

is no other method for belling the cat. The Government of India long ago found it necessary to compel in conducting the Census of India: it must be much more justifiable to compel in order to augment the national produce of India.

The Mysore Village Panchayat Act.

In these days of pompous glorification of the "ancient village republics" of India and practical discharge of all local functions (though not admitting all the responsibility) by the executive or its agents, the Village Panchayat Bill of Mysore which has of late become law should interest and benefit publicists in all parts of the country. Between 1920 and 1923 Village Panchayat Acts were passed in almost all British Indian Provinces, but those who are familiar with Government files know that in actual practice the village constitutions have, generally speaking, no life and no growth and Administration Reports give facts and figures which are the executive's own making. In the case of municipalities and district boards a certain amount of real transfer of powers of local self-government is taking place now in British India, but that has been possible after a pretty long period of schooling and apprenticeship. With regard to rural organisations the matter of fact is that Governments remember them only occasionally, and the problem is so vast that the only practical way out of the difficulty is postponement. A hierarchy of local committees have been set up—each being subordinate to the committee of the wider territorial unit—and while Governments know something of what happens in the case of cities' and districts' affairs, they have neither the patience nor the means to study how the Village Panchayat Acts have really worked.

The Mysore Bill, on the other hand, proposes certain arrangements which, if worked in the right

spirit, must result in a kind of compulsory training of villagers in the art of local self-government. Every village (or group of neighbouring villages) is proposed to be looked after by a panchayat with obligatory functions (in the matter of communications, sanitation, preservation of public health and management of properties vested in it) and discretionary duties such as vaccination, registration of births and deaths, economic improvement, and delegated duties including the control of village forests, tanks and minor *muzrai* (religious) institutions, and supervision of primary schools. The existing Village Improvement Committees are subject to the supervision of Taluk Boards which in their turn are under the District Boards. But the new Bill contemplates the abolition of the Taluk Boards' responsibility for supervising the working of the panchayats, and vests it in the hands of the executive head of the district—the Deputy Commissioner and his subordinates (the Sub-divisional Officers and the Amildars.) The Deputy Commissioner will have ample powers to enforce efficient rural administration, and will be assisted by Inspectors of Panchayats, and the whole system will be co-ordinated and controlled by the Registrar of Panchayats. As regards finances, besides a tax on houses, shops vacant sites and backyards (*hittals*), other optional taxes, cesses and fees, cattle pound receipts, licence fees, fines and sums received for compounding offences, contributions from private persons and other bodies and income from properties, the Government hope that it would be possible to contribute regularly towards the expenditure of these panchayats.

At first sight the Bill does look reactionary, and in fact when it was first read in Council it was bitterly opposed by several M. L. C.'s. sincerely devoted to public service and the cause of democracy. Serious

consideration, however, will reveal the practical statesmanship of the authors of the Bill. The executive control is meant to last only for a period: the chief merit of the Bill is that the Mysore Government frankly recognise that, apart from sentiment and glorification of the ancient past, the social condition in rural areas at present is so backward and diseased that unless some external support and schooling is given for a time—a process similar to artificial respiration—the village panchayats may not come to possess local foundations at all. In Sir A. R. Banerji's words, 'Government have come to the conclusion that the rural reconstruction policy, if it has to succeed, having regard to the present conditions of our rural population, their illiteracy, their general poverty, backwardness and the state of disorganisation which has set in and in which they now are, cannot have any buffer between the agency responsible for the execution (that is, the panchayats) and the Central Government, which must have a direct touch and the closest possible association with its progress.' The second noticeable point is that the Bill insists upon the inauguration of local taxation. "Additional taxation" is unreservedly condemned in this country, but those who remember the actual conditions of our villages must agree that improvement will be possible only when local taxes are voluntarily imposed and willingly paid by rural organisations and population. "Rural reconstruction" work in India requires much more than Rs. 20 crores annually at a modest estimate, and it is absolutely no good Government's saying that when "better finances" prevail they will "consider" what helps they will be able to give for this fundamental work, the villagers saying that their utmost taxable capacity has already been reached and "Thou shalt go no further". Local taxation partakes more of the nature of fees (for specific services rendered) than of taxation as such. Thirdly,

the Bill proposes vesting the panchayats with judicial and other powers only at a stage when Government get enough evidence to show that such responsible functions will be duly and seriously discharged by the rural bodies. This is a kinder arrangement than the other one where the unfitness of a rural population for local self-government is declared on the basis of some cases occurring of the responsibilities vested having proved too onerous to begin with: in the Mysore State itself attempts till now made for reviving the "panchayat sense" among villagers met with comparative failure, but on that account that Government is not any the less enthusiastic about democratic progress.

The success of the measure will very largely depend upon the actual attention paid by Government to the application and the working of the Act, and the personnel selected for inspection and supervision. We believe that inspectors of co-operative societies should be the best set of men to serve as Panchayat Inspectors in addition to their present duties: this would mean better prospects for them, and a manageable cost to Government specially at the beginning. The author of the Bill—Mr. Mir Humza Hussain, retired Dewan of Mysore, has indeed earned for himself a high place in the history of Rural Development in India. It is a matter for satisfaction that the Mysore Government have given the due amount of attention to and are about to adopt a scheme well worth a careful study by people in British India, with regard to this all-important matter. As the Seal Committee eloquently put it: "Our local bodies are the paralytic lower limbs of the Administration. That is the imminent risk in Mysore (as everywhere else in India) that weakness in the lumber region and we must beware lest by throwing an Atlas' load of State's responsibilities

on drooping shoulders we break the spine! There can be no constitutional reform in Mysore without the reform of the raiyat at the plough. Let it be burnt into the consciousness of all politicians that unless the people can be shown to be managing the Village Panchayat and Council, there can be no question of real or realised popular government in spite of a hundred Conferences and mass meetings. Our first concern then is to make village government real”.

APPENDICES.

APPENDIX 1.

The Processes of Cultivation and Average Expenses of Production, and yield of Important Malnad Products.

Paddy Cultivation.

After the harvest of the crop the field is ploughed once and left for weathering until next season. Soon after the first showers fall in April, two ploughings are done to completely stir the soil.

Sowing.—Furrows are opened with the country plough about 5 to 6 inches apart. About 45 seers (a local measure equivalent to about 24 tolas of paddy) of seed are well mixed with manure. This mixture is made into small balls (about the size of a lime fruit) and dropped at regular intervals of about 4 inches. This is done by persons who are specially skilled in this work. The furrows are covered with a brush-harrow drawn by bullocks. Sowing is done at the end of April or the beginning of May, i.e. when the soil is moist enough to receive the seed.

After-cultivation.—Seeds germinate in about a week, and 4 or 5 days afterwards intercultivation with the plough is done. This operation is done successively 4 times with an interval of about a week to 10 days. By this time the heavy rains commence and the field becomes wet. One more intercultivation is done when the field is wet.

In the beginning of July a plank is passed over the field to crush the clods and to level the field. Only one weeding is done in the month of August. Excepting irrigating or draining off of excess water when heavy rains fall, there is no other work upto the time of harvesting. Roguing of wild paddy is done when the ear-heads form. Harvesting commences at the end of November and continues in December. Thrashing of the sheaves is done either immediately after harvesting or at a later date according to the convenience of the ryot. In the latter case, the sheaves are stacked on the thrashing floor.

Cultivation by transplanting seedlings.

A nursery is sown with seeds in May and seedlings are allowed to grow in it for about 50 to 60 days. The field is ploughed in middle after application of manure and levelled with a harrow. The seedlings are pulled out of nursery and transplanted in bunches of about 20 seedlings in July. The other operations are similar to those done for dry paddy (except the intercultivation).

Expenditure per acre.

						Rs.	a.	p.
Ploughing once in summer	..	..	..	..	..	2	0	0
10 cartloads of manure	..	..	..	..	..	12	8	0
Ploughing, puddling and applying manure	..	..	..	..	..	6	8	0
Levelling	..	..	..	..	..	0	8	0

								Rs. a. p.
Cost of 60 seers of seeds and nursery	..	..	..	..	..	..	7	0 0
Transplanting	..	..	..	..	..	..	2	0 0
Weeding (twice)	..	..	..	..	..	..	8	0 0
Irrigating	..	..	..	..	..	..	4	0 0
Watching	..	..	..	..	..	..	6	0 0
Harvesting	..	..	..	..	..	..	4	0 0
Roguing	..	..	..	..	..	..	1	0 0
Thrashing	..	..	..	..	..	..	6	0 0
Total							59	8 0
Assessment (about)	..	..	..	..	..	..	5	0 0

 64 8 0

Income.

9 pallas of paddy at Rs. 7 per palla	..	..	..	63	0	0
500 bundles of straw at Rs. 3 per 100	..	..	..	15	0	0

 Total income .. 78 0 0

 „ Expenditure .. 64 8 0

Balance .. 13 8 0

 Deduct against bad seasons etc., .. 3 8 0

 Net income .. 10 0 0

Average net yield per acre of wet land .. 10 0 0

Average price per acre of wet land .. 100 0 0

Percentage of Net Return .. 0 0 10

Areca Cultivation.

Note:—

One acre contains 400 “Dayas” each daya containing one bearing tree, one middle aged tree and one young plant.

“Moobagi” Besaya— the 400 Dayas (collectively called 400 trees) are divided into 3 equal portions and “Besaya” for each portion is done in one year. Thus this operation for the whole garden is completed at the end of 3 years.

Details of Expenditure per acre for pacca cultivation.

						Rs. a. p.
Cost of “Besaya” got done on a contract system for 133 trees at Rs. 10 per 100 trees	..	..	..	..	..	13 5 4
Paddy to the contractor for the above purpose	} for feedi- ng coolies..	..	..	..	..	13 5 4
Other things to the contractor		..	..	..	..	2 4 0
Application of extra leaves and manure to the portion to which Besaya was done in the previous year.						10 10 8

	Rs. a. p.8		
Paddy for labourers	10	10	0
Other things for labourers	1	12	0
Cost of fencing (on contract)	6	0	0
Paddy to contractor } for feeding	6	0	0
Other things .. } coolies	0	13	0
* Wages for 10 men to clear the drains at 8 as. each	5	0	0
* Wages for 4 men to cut the plantain trees.	2	0	
* Wages for 10 men to collect and stack sheaths etc. fallen from the trees.	5	0	0
* Wages for 4 men to transplant Areca seedlings and plantain suckers.	2	0	0
Watching the gardens.	10	0	0
* Cost of impounding water in the main drain during summer for irrigation purpose	2	0	0
* Preparing materials for "Kottes"	14	0	0
Wages for stitching "Kottes"	24	0	0
Other sundry	2	12	C
Wages for 10 men to tie Kottes	5	0	0
* Preparing manures adding leaves to manurepit	15	0	0
Nut drying pendal	1	0	0
Mats, Baskets, etc.	2	0	0
Cost of harvesting 2000 bunches at As. 10 per.100	12	8	0
Rice etc, to the men who harvest	3	0	0
*Curing charges on 20 maunds of Arccanut	35	0	0
Assessment	15	0	0
*Cost of implements	5	0	0
*Closing old channels and opening new ones once in 12 years (average for 1 year)	16	0	0
	<hr/> 241 1 0 <hr/>		

Income Per Acre. . .

At present, 20 mds of arecanut at Rs. 10 per maund ..Rs. 200 0 0

* Note.—These items of work are done by the owner and his people and hence the cost thereof should be deducted. (Rs. 241-1-0 minus 89-0-0) will be Rs. (152-1-0). Thus actual cost including cash and kind spent for cultivation Rs. 152-1-0.

Income ..Rs.	200	0	0	} Net income .. Rs.	47	15	0
Expenditure	152	1	0				

If the cultivation is done carefully and in time an income of Rs. 350 can be expected from one acre of garden: then the net income will be Rs. 108-15-0. Gardens of more than one acre admit of economies under many items yet a deduction must be made against Kole roga and bad season etc., Leaving Rs. 13-15-0, Rs. 95 remain as net residue.

								Rs. a. p.
6th Year								
Expenditure .. .. .	..	..	..	..	..	..	..	57 0 0
7th Year.								
Expenditure .. .. .	..	..	..	..	..	..	..	75 0 0
8th Year.								
9th Year.								
10th Year.								
Expenditure at Rs. 80 each year.	..	..	..	..	..	..	..	240 0 0
Total Rs.								744 4 0
Assessment for 10 years								10 0 0
Advance for a coolie for General purposes..								100 0 0
Total Rs.								854 4 0

Deduct realisations at 5 maunds of coffee per year from 5th to 10th year at Rs. 12 per maund (after making due allowance for unfavourable seasons, etc.)	360 0 0
Net outlay	494 4 0

Income.

Yield from 11th year 15 maunds of coffee at Rs. 12 per maund	180	0	0
Others like cardamon, etc.,	20	0	0
	<hr/>		
	Total Rs.	200	0 0
Expenditure per year	80	0	0
	<hr/>		
	Net earnings ..	120	0 0

On a capital of 494 Rupees (about £50) the profit per acre per annum (after allowing Rs. 50 for unforeseen losses) the profit per annum is Rs. 70 or 14 per cent.

Cardamon Cultivation.

Situation.—A valley with plenty of shade and moisture is selected for a garden where Cardamon is to be the main crop. In coffee estates Cardamon is planted on either sides of streams and in moist and shady places. It is believed by the ryots that the garden should be protected from the sun rays falling from west and south.

Soil.—Red loam with admixture of gravel is about the best. When the soil is saturated with water or when it is water-logged the excess of water is drained off by opening drains at convenient distance depending upon the nature of the soil and the amount of water to be drained off. The seedlings in such plots should be planted on the ridges.

Seed and nursery.—Fully ripe and disease-free fruits are selected and seeds from them are pressed out. They are immediately rubbed against fine ashes. The seeds so prepared are sown in September on a nursery bed prepared by digging to the depth of about 6 inches and the soil thoroughly pulverised. Sowing is done by sprinkling the seeds on the bed. Then it is covered with mud to a thickness of about half an inch. It is then watered daily with spray watercans. All the seeds germinate within 48 days. Immediately a pendal is erected over the nursery to keep off sun. This shade is kept on till next June. Fresh earth and manure is sprinkled over the bed in the month of January to about half an inch of thickness. It is handwatered once in 4 or 5 days or as often as possible, according to the nature of the soil.

Planting.—When the seedlings are 8 to 9 months old they are removed from the nursery and planted in the shallow pits in the would-be garden, that is, they are planted in the month of June and July. They are planted in singles when there are many tillirings. The distance allowed between plant to plant is 6 feet. A digging is given either before or after planting when the soil is rich in humus no manure is applied. But when it is poor, manure is applied, at the rate of one basket to 3 or 4 plants.

This crop requires no other cultivation except the application of fresh earth and humus dry leaves and removing weeds. It begins to bear crop in the second year after planting and the maximum crop is generally got from the sixth year.

Harvesting.—Harvesting begins in September and continues up to December.

Curing.—After the fruits are harvested they are washed in clear water and spread in shade for a day. They are then spread in sun and dried for 3 days.

Expenditure per acre :—

	Rs. a. p.		
Upset price	10	0	0
Clearing Jungle	20	0	0
Burning	3	0	0
Opening pits	6	0	0
Nursery	6	0	0
Seeds	8	0	0
Preparing seed, sowing, and covering with mud	2	4	0
Watering for 3 months	24	0	0
Erecting shade pendal	1	0	0
Fence etc.,	1	0	0
Planting	15	0	0
Application of fresh earth and leaves in the first year	16	0	0

								Rs. a. p.
Weeding	..	..	..	..	..	..	..	6 0 0
Fence round the garden	..	..	..	..	..	..	..	20 0 0
Second year's expenditure	..	..	..	..	..	..	..	30 0 0
Total Rs.								168 4 0
Expenditure for four years at 71 Rs. a year	..	..	..	..	..	..	..	284 0 0
Total Rs.								452 4 0
Yield from 3rd to 6th year after deducting interest on capital, 4 maunds								
..	..	..	..	..	..	..	..	160 0 0
Net outlay								292 4 0

								Rs. a. p.
Annual recurring expenditure from 7th year	..	..	..	..	..	..	..
Application of fresh earth and leaves	..	..	..	..	..	..	..	16 0 0
Harvesting	..	..	..	..	..	..	..	10 8 0
Weeding	..	..	..	..	..	..	..	8 0 0
Curing	..	..	..	..	..	..	..	3 8 0
Watchman's pay for 3 months.	..	..	..	..	..	..	..	30 0 0
Sundry	..	..	..	..	..	..	..	2 0 0
Assessment	..	..	..	..	..	..	..	1 0 0
Supervision charges	..	..	..	..	..	..	..	4 0 0
Total Rs.								75 0 0

Annual Income.

Though on an average 6 maunds cardamon is the yield per acre yet due allowance must be made for unfavourable conditions and the attack of wild animals.

Actual crop realised.

4 maunds at Rs. 40-per maund	..	..	..	Rs.	160 0 0
Deduct expenditures	..	..	..	„	75 0 0
Net residue Rs.					85 0 0

Return on outlay of 292 rupees 4 annas is 29 per cent.

Note.—(1) Cardamon is not grown on a large scale in the Malnad Taluks of Shimoga and Kadur Districts but only as a subsidiary crop in areca gardens and coffee estates as the ryots think that the climatic conditions of those places are not favourable to its growth. It is grown in sufficiently large scale in Manjarabad Taluk and in parts of Mudagere Taluk which are adjoining to Manjarabad Taluk.

(2) The above calculations are made assuming that only one acre is planted with cardamon. Hence the cost of cultivating is high. But if cultivated on a large scale and the expenditure thereof is reduced to one acre, the cost will be less.

(3) The cardamon crop has got many enemies to face. When the plants are bearing fruits monkeys, snakes, squirrels, rats and such other animals destroy the crop totally unless efficient watch is kept. In spite of the watch these animals play their own part in bringing in considerable loss to the planter. On account of this the maximum crop and sometimes even the average yield is not realised. Thus the safe net crop that can be expected out of an acre of land is only 4 maunds.

APPENDIX II.

Area under crops and specification of crops during 1922-23 in 11 Malnad Taluks.

Name of Taluk.	Rice.	Ragi	Togari	Horse-gram.	Til	Chillies	Pepper	Coffee	Tea	Areca-nut.
Manjara-jad ..	32,094	1,206	2	68	19	..	750	14,937	..	420
Chickmagalur..	27,172	17,336	127	1,985	903	1,500	..	35,963	..	3,000
Tarikere ..	12,984	25,250	500	1,500	420	3,500	..	4,703	30	197
Koppa ..	30,512	235	..	..	..	..	136	13,465	191	5,555
Nara-jimharajapur ..										
Sringere ..	24,343	1,320	..	..	..	..	800	22,230	160	..
Mudgere ..	45,015	5,540	1102	2,060	23	225	1,196	..	..	1,496
Sorab ..	32,716	335	..	..	..	..	676	..	..	2,256
Sagar ..	30,399	340	172	92	35	..	..	12	..	2,498
Nagar ..	32,246	66	..	..	..	..	..	38	..	6,817
Thirthahalli ..										
Total Acres. ..	267,481	51,628	1,903	5,705	1,400	5,225	3,558	91,348	331	22,239

APPENDIX III.

Average prices of important Malnad products during the past 20 years annually.

No.	Year.	Areca per Maund.	Paddy per palla.	Coffee per maund.	Cardamon per maund.
1	1905-1906	8 0 0	6 0 0	8 4 0	35 0 0
2	1906-1907	8 8 0	5 0 0	8 4 0	30 0 0
3	1907-1908	9 0 0	6 0 0	9 0 0	39 0 0
4	1908-1909	9 8 0	4 0 0	9 8 0	33 0 0
5	1909-1910	8 0 0	4 0 0	9 0 0	40 0 0
6	1910-1911	8 0 0	4 8 0	11 8 0	38 0 0
7	1911-1912	8 0 0	4 8 0	13 4 0	42 0 0
8	1912-1913	9 0 0	4 0 0	14 1 0	45 0 0
9	1913-1914	10 0 0	5 0 0	14 4 0	45 0 0
10	1914-1915	10 0 0	5 0 0	10 12 0	30 0 0
11	1915-1916	10 0 0	5 0 0	10 0 0	34 0 0
12	1916-1917	10 0 0	5 0 0	7 12 0	26 0 0
13	1917-1918	10 0 0	5 0 0	7 8 0	23 0 0
14	1918-1919	10 0 0	5 0 0	13 0 0	34 0 0
15	1919-1920	10 0 0	8 0 0	12 0 0	28 0 0
16	1920-1921	10 0 0	6 0 0	17 0 0	38 0 0
17	1921-1922	10 0 0	10 0 0	14 0 0	56 0 0
18	1922-1923	12 0 0	6 0 0	16 0 0	80 0 0
19	1923-1924	14 0 0	6 0 0	16 8 0	90 0 0
20	1924-1925	16 0 0	7 0 0	20 0 0	110 0 0

APPENDIX IV.

The details of areca trade transactions whereby the grower gives more than what he should, the *mundy* merchant receives more than what he should, of value :—

1. Per ten seers of areca (*Tadiya*) the legally allowed weight is of Rs. 264 but merchants take at Rs. 270 weight per 10 seers (*Tadiya*)

This amounts to a difference of one seer per maund.

Therefore per 100 mds. of areca delivers 100 seers more that is (at the rate of 44 seers per maund) 2 mds 12 seers.

2. "Labhasere or Thalarash" (per 100 mds.) .. 1 md. 10 seers

Total .. 3 mds. 22 seers.

Or roughly $3\frac{1}{2}$ maunds.

3. "Seemedharane" i.e., the price allowed to the grower is generally one rupee less than the market price. Total loss to areca grower

100 × 1	..	..	..	..	..	100	0	0
3½ mds. of areca at Rs. 11	..	..	..	..	..	38	8	0
						<hr/>		
						138	8	0

Rs. 138-8-0 for 100 mds. works at

Rs. 138-8-0 for Rs. 1100

Or roughly $12\frac{1}{2}$ per cent.

(These practices are apart from the other one, namely, of the use of false weights. But nowadays, many modernised *mundy* merchants are carrying on their trade on fair lines.)

APPENDIX V.

Malnad population.

Taluk.	Population in 1911.	Population in 1921.	Persons born outside Mysore but in India (1911 census)	Persons born outside Mysore but in India (1921 census).	Net increase in indigenous population.
Manjarabad	50,589	51,042	5,891	5,124	
Chickmagalur	82,044	80,329	11,056	7,316	
Tarikere	70,492	65,221	6,299	1,604	
Koppa	34,943	35,845	13,353	12,354	
Narasimharajapura	16,710	17,112	4,233	3,153	
Mudgere	43,353	43,683	12,084	11,349	3,410
Sringere	9,896	9,337	2,628	1,610	
Sorab	66,605	58,901	7,364	5,405	
Sagar	51,049	51,550	5,183	6,618	
Nagar	37,656	38,180	4,753	5,336	
Thirthahalli	54,724	56,574	12,693	11,749	
	518,061	507,774	85,537	71,618	

The increase in local population for the whole State:—

2.4 per cent.

Increase in indigenous population in the Malnad:—

78%

APPENDIX VI.

Thirthahalli Sub Registry Office figures:—

Year.	Land mortgaged with or without possession. proceeds of	Sale of land. proceeds of
1908-09	111,295 0 0	107,129 2 5
1909-10	91,576 10 0	113,267 10 10
1910-11	102,912 3 5	68,215 9 5
1911-12	154,661 12 7	117,760 9 2
1912-13	85,363 11 1	126,952 7 9
1913-14	82,491 11 0	148,188 8 0
1914-15	138,448 15 10	157,790 0 0
1915-16	152,700 6 1	146,464 2 0
1916-17	168,390 2 0	108,214 4 0
1917-18	178,257 0 5	178,976 9 4
1918-19	263,129 12 11	155,511 10 10
1919-20	262,815 4 9	211,177 12 2
1920-21	175,313 8 7	189,251 14 10
1921-22	190,094 15 11	220,340 1 3
1922-23	175,172 4 4	193,169 2 1
1923-24	107,532 12 10	181,874 0 0

APPENDIX VII.

Manjarabad Sub Registry Office figures:—

Year.	Land mortgaged with or without possession proceeds of	Sale of land. proceeds of
1915-16	96,423 10 3	109,772 0 0
1916-17	60,492 14 0	72,120 10 0
1917-18	75,380 2 8	71,084 12 0
1918-19	64,307 0 0	98,659 0 0
1919-20	79,786 12 0	256,568 4 0
1920-21	136,540 8 1	166,030 6 0
1921-22	120,448 2 8	236,942 6 11
1922-23	86,143 0 0	94,497 9 8
1923-24	109,973 0 0	183,945 13 6

APPENDIX VIII.

Syllabus for a course of Ten Lectures on Rural Economic Conditions.

LECTURE I.

Physical Character.

Bearings of geological features on Agriculture in India. Qualities of soils as determined by.

- (1) Survey and Resurvey and Settlement and Resettlement Officers, and
- (2) Chemical, bacteriological and physical examination of soils.

Water.—Rainfall (statistical information and graphical representation).

Tanks, major and minor, their importance for Indian Agriculture.

Irrigation works—productive and protective—historical summary—their importance and scope. Wells—for drinking and irrigation—lift irrigation and its remunerativeness—drinking water, its present condition in rural areas, how it effects human health—Government aid.

Drainage—present facilities and impediments—possibilities of improvement : effects on agriculture and animal and human health.

LECTURE II.

Land.

Divisions of land.—Statistical information—significance of the present acreages under “Cultivable waste,” “Fallow” and “Forest” and “Double cropped area”—possibilities of increasing cultivated area—adequacy or otherwise of grazing pastures, supply of green leaves for manures etc. and facilities for ryots in forests.

Holdings.—Criticism of the available figures with regard to fragmentation of holdings—complexity of land tenures in Rural India—causes for, the present condition of and measures to be adopted for ending, excessive scattering of holdings—remedial measures tried and suggested.

Land Revenue.—Standard and average out—turns of different grades of land—gross yield, economic rent and land revenue, their proportions as compared to one

another—incidence of land revenue in the case of different crops and in different parts of the country—economic rent and land revenue historically—remissions.

Debt-burdened land.—Statistics—proportion of debt to value of land—history of land mortgage debts.

LECTURE III.

Agriculture.

Vegetation.—Forest area—forest policy and agriculture—the problem of rank vegetation.

Crops.—Present classification of area according to crops—reliability of statistics—recent improvements in the matter of new crops, alternative crops, summer crops, special crops—food production and food needs: the Malthusian theory and the Indian Rural population.

Cultivation.—Descriptions of dry, wet, garden and special cultivations—intensive cultivation, its future in India—indigenous elements of co-operation in agricultural operations—enslucure and cattle pounds—plant diseases and pests, indigenous and departmental remedies, their availability and effectiveness—manures.

LECTURE IV.

Agricultural Stock.

Live-Stock.—Statistical information—the cattle problem in India and Malthusianism—cattle breeding, rearing, feeding—cattle diseases, indigenous remedies and the Veterinary Department.

Implements and accessories.—Nature and number—adequacy or otherwise—facilities with regard to improvements—agriculture, machinery and power.

LECTURE V.

Rural Industries.

Importance.—Lack of information—deterioration, causes thereof and extent thereof—extent and scope of large scale rural industries—cottage industries—by-industries—the transport industry forest industries: tests laid down by the Indian Fiscal Commission, how far applicable to them.

Methods.—Economics of small scale industry—small scale industry and power.

Markets.—Size and nature : elements of competition and monopoly—methods of sale of rural products, effects thereof on distribution—exports and re-imports—imports and effects thereof on the economic efficiency of the rural population—*Laissez faire* policy and its responsibility for present conditions.

LECTURE VI.

Rural Health.

Disease.—Variety and causes—maternity and current practices and superstitions attached thereto—treatment during three weeks before and after confinement of women—doctors, midwives, hospitals (indigenous and departmental).

Mortality.—Official statistics—diseases and other causes—infant mortality, its hugeness and import: is the calamity due to degeneration or poverty of food and sanitary facilities ?

Duration of life.—Statistical information—early marriage and late marriage, their bearings on health and numbers—feeding qualities of food taken by different rural classes—drink and health—housing conditions.

LECTURE VII.

Rural Wealth.

Income.—Economic efficiency—exploitation by profitiers—collective income, a prominent factor in rural welfare.

Expenditure.—Standard of life, should it be raised?—statistics from intensive surveys : the size of the drink evil : educational expenditure.

Saving.—Possibilities of and facilities for saving and investment.

Indebtedness.—Causes for and of kinds debt—productive and unproductive debt—rural debts and the law.

Religious and social features.—Social organisation in rural areas in the past and at present—crime, superstition and marriage laws—apathy for public good—is compulsion a desirable method for giving effect to improvements ?

LECTURE VIII.

Rural Education.

Curricula and methods of teaching.—Utility and efficiency; the village school and its place in rural economy.

LECTURE IX.

Rural Communications.

Road versus railway.—motor transport versus the bullock cart—road policy, how it touches the entirety of life in the country—methods pursued for the construction restoration and maintenance of rural roads at present—suggested improvements.

LECTURE X.

Summing up.—What Governments in India should do immediately, what the rural population should be expected to do and how.

APPENDIX IX.

Extracted from the Report on Economic Conditions in the Mysore Malnad submitted to the Government of Mysore.

CHAPTER XVII.

A Development Area.

135. Observations and recommendations made in these pages have been perhaps encyclopaedic. And naturally it must strike many readers that it would be impossible for Government, even if they wanted to, to take action on all of them. I stand second to none in realising the difficulties, financial and others, in the way of realising the numerous measures and reforms I have proposed. Therefore it is that throughout this Report I have referred to a "Development Area." By this I mean that Government should select say, two Malnad Taluks at the outset, and with a fat bag of money (rupees 1.5 lakhs) start off to make all the necessary improvements there. By the end of three years this area must be quite different from what it is, if arithmetic is not false. Then the concentration of attention and expenditure may be shifted to another couple or three taluks (leaving behind a small recurring grant for the old area out of the usual Malnad Improvement Grant of one lakh). Thus in about 10-12 years I expect that the Malnad taluks will have been metamorphosed: I say "metamorphosed" because the present conditions are so despondent. Price levels and wage levels have risen and if we want permanent improvements, the scale of expenditure should be raised substantially: a thing like a grant of Rs. 4,000 for the improvement of inter-village and inter-taluk communications in a District will not take us any way nearer the solution of our difficulties.

136. This idea of localisation of expenditure does not apply to the proposed Land Mortgage Banks, the Central Co-operative Syndicates, the Labour Department and the Motor Monopoly, which should naturally cover the whole area of the Malnad. Other measures which do not involve any additional expenditure should also be taken up in all the Malnad Taluks.

137. A cancellation of the present Malnad improvement grant of Rs. one lakh a year would probably raise a good deal of undeserved opposition. Moreover, some good is being turned out of this grant in the shape of hospitals, wells and roads here and there. It also stands to reason that while Taluks A, B, C and D are being taken up and improved by Government in so many ways, Taluks J, K, L and M should feel all neglected (if this Rs. one lakh be discontinued.) It therefore seems reasonable that it should be left to go on as before. A proportionate amount out of this should be made over to the Development Area (according to the proportion of Taluks included within this to the General Malnad area), the additional grant of Rs. 1.5 lakhs being quite apart from what each Malnad Taluks should get out of the General Malnad Improvement Grant.

CHAPTER XVIII.

Special Agency.

138. Since July 1923 the administration of the Malnad Improvement Grant has been in the hands of the respective District Boards. This may continue, though the general feeling in the villages is that when there was a Special Agency for Malnad Improvement things were better looked after than now : the scarcity of quinine in many rural parts now has made many a villager remember that in earlier years its supply was much more broadcast. In one Taluk there was a strong feeling that on the District Board, Malnad representatives were few, and that therefore their interests were not being duly attended to. In another Taluk it was the other way about: people there said that the maidan representatives on the District Board were few and that proper attention was, not being paid to the maidan taluks which comprised the minority. In 1924-25 the expenditure incurred on well works in one District was only Rs. 1,477. *The District Conference Report of that District says : "It is hoped that in future years the amount sanctioned for well works would be fully utilised and authorities concerned would spare no pains to fulfil the objects of Government in giving good drinking water supply in rural parts. Thus there are 58 well works remaining incomplete at an estimated cost of Rs. 23,338."* Sums of money have been lying idle as village Common Funds without being used for some productive purpose. The special facilities offered by Government for the formation of large landed estates have hardly been utilised.

139. "Manlad Development" as connected in the body of this Report is an arduous task, it requires wholetimers, it requires the definite fixing of responsibility. The putting up of a Special Agency to be in charge of the Development Area (the existing administrative machinery to be responsible to this Agency in all matters concerning the material development of the Area) and to co-ordinate the work of other institutions proposed in this Report, admit of no difference of opinion.

140. The next chapter lays down in tabular form a summary of the various recommendations made.

Chapter XIX.

Summary of Recommendations.

1. *Measures which will not cost any additional expenditure to Government.*

- (a) Allowing discretion to judges to order repayment of long standing land mortgage debts, in instalments, the history of the debts being the basis for their decision.
- (b) Sub-economic holdings to be exempt from attachment in execution of decrees by courts.

- (c) The cancellation of the rule that *Kan* land should not be given out to *darbhast dars*.
- (d) Abolition of Taluk Sanitary Inspectors' places.
- (e) Compulsory payment of all amounts specified in deeds to be registered, to the party before the Sub Registrar.
- (f) The prohibition of real interest receipt or payment beyond a maximum to be fixed.
- (g) The transfer of the Headquarters of some of the officers of the Agricultural and Veterinary Departments to representative centres of the Malnad.
- (h) The maintenance of a separate Officer and staff for Roads in each of the three Districts.

II Measures which will cost additional expenditure to Government.

Items.	Functions.	Contribution by the public expected as deposits or shares.	Government Aid.		
			Loan.	Non-recurring grant.	Recurring grant.
1. Malnad Improvement	As during current and previous years.				
2. Land Mortgage Banks	Loaning out money on land mortgage, the wherewithal to be got from sale of bonds to be issued by the banks (big estates excluded)	Rs. 200,000 (as shares)	Rs. 100,000 (free of interest, 100,000 (@ 4%)	Rs. 100,000	Rs. 100,000 5,000
3. A Central Co-operative Syndicate	1. Marketting cardamom, paddy and Areca. 2. Advancing loans on standing crops. 3. Serving as a grain Bank by lending out grains to members when applied for, and	100,000	100,000		5,000

	Rs.	Rs.	Rs.	Rs.
4. A joint Stock Company for running Motors over all the Malnad taluk roads leading up to the ghats on the west and railway stations on the east: a Telephone line with stations to run along all the roads in the area.				
5. A Labour Department ..				
4. Supplying other requirements against credits held by members.	800,000	200,000 (shares)		
The maintenance of daily passenger service and a weekly lorry service for coffee, areca, cardamon, plantains, oranges, turmeric, ginger, pepper etc.,	200,000 already invested in the businesses running at present)		20,000	50,000
Adjustment of demand for and supply of labour, creation of facilities to locally settle immigrant labourers, supply of coolies to D. P. W. as well as to areca, coffee and cardamon gardens on terms fair to employers and employee alike.				1,50,000
6. Development Area				
1. The preparation of a Record of Land Rights				
2. Complete repairs of tanks &c.				

Items.	Functions.	Contributions by the public expected as deposits or shares	Government Aid.		
			Loan.	Non-recurring grant.	Pecurring grant.
	<ul style="list-style-type: none"> 1. Consolidation of holdings 2. Allotment of <i>Kumki</i> lands to <i>bona fide</i> cultivating owners. 3. The opening of Agricultural Farms for itinerant demonstrations and for evolution of suitable cheap manures. 6. The opening of Veterinary hospitals and the maintenance of touring bulls. 7. Exploitation of water sources for irrigation and drinking 				

8. The grant of bounties on new crops and summer crops.
9. Plantation of a system of cottage industry for different classes of the population.
10. Reorganisation of Village Statistics.
11. Maintenance of trade figures.
12. The conversion of the present primary schools in the Development Area into rural schools (except in urban areas) with a curriculum comprising mainly agricultural subjects and practical work in agriculture and subsidiary occupations of provision of hours of teaching for reading, writing and arithmetic to be duly made.

Items.	Functions.	Contribution by the public as deposits or shares.	Government Aid.		
			Loan.	Non-recurring grant.	Recurring grant.
	<p>13. Construction of <i>pucca</i> inter-village roads capable of standing heavy rains and involving comparatively less of recurring expenditure on repairs.</p> <p>14. Improvement of village Sanitation.</p> <p>15. Training of village school masters for administering standardised pills and mixtures and powders for ordinary diseases, and for giving first aid in cases of accidents etc., and entrusting them with medical relief work in their respective ranges, with suitable allowances.</p>				

	Rs.	Rs
16. Encouragement of the growth of Ayurvedic and Unani hospitals.		
17. Provision of an adequate supply of midwives and maternity facilities.		
18. Rationing of arrack and gajja on a progressively decreasing scale (on the lines recently accepted by the Govt. of Bombay.)		
19. The conduct of propaganda work in order to disuade the people from indolence and vices.		
20. Putting up of quarters for Government officials.		
21. Working of producers' societies under special supervision, specially for the benefit of the panchamas		
22. Helping the inauguration and working of village panchayats.		
To be in charge of item No. 6 and to co-ordinate and work the whole programme.	10,000	20,000

7. A Special Agency.

11. The Board of Directors may receive deposits at their discretion either from members or others and it shall be open to them to settle the terms on which deposits shall be taken provided that the interest on such deposits shall not, in any case, exceed $6\frac{1}{2}$ per cent per annum and provided also that no deposit shall be received for a period of less than two years.

12. The Bank shall not grant loans of an amount below Rs. 500 nor above Rs. 5,000 ordinarily provided that where a loan is granted to a co-operative society for the use of its members the amount of the loan may amount to 20,000 rupees.

13. Loans granted by the Bank shall bear interest at rates fixed from time to time but not exceeding—

(1) a maximum of 9 per cent per annum in the case of long term loans, and

(2) a maximum of 12 per cent on short term loans.

14. Long term loans granted by the Bank shall be repayable in equal yearly instalments not exceeding 25 and shall not be liable to be re-called except under conditions specified in Bye-Laws 21 and 22. Nothing in this bye-law shall be considered to preclude the borrower from repaying his loan wholly or in part at any earlier time.

15. The loan and the interest shall be discharged by a system of equated payments.

16. Loans shall be granted by the Bank only on the mortgage of immovable property in the.....district except in the case of short term loans which may on suitable security be granted for working expenses to members who have taken long term loans. Long term loans should be issued ordinarily out of share and debenture amounts and not out of deposits.

17. Loans granted by the Bank shall not exceed 50 per cent of the value of the property which is mortgaged to the Bank on account of those loans, provided that in case the loan is to be applied for the improvement of land the amount of loan may go up to 60 per cent.

18. The land mortgaged to the Bank as security under bye-law 17—shall have no prior encumbrances, save the mortgage or mortgages to be redeemed by the loan given by the Bank. Further, it shall not be made subject to any subsequent encumbrances either by way of further mortgages, sale, gift or otherwise to any one except the Bank and except with the previous sanction of the Board of Directors, and any encumbrance made in contravention of this bye-law shall be invalid.

19. The mortgage shall be without possession, subject to the condition that if the mortgagor fails to pay principal and interest according to his contract, the Bank shall be entitled to take possession of the land

for such term not exceeding twenty years as the Board of Directors may consider equitable. During possession, the Bank will manage the property and after deducting expenses use the proceeds towards redemption of the debt.

20. The valuation of the properties offered as security for loans shall be made by the Bank in accordance with subsidiary rules to be framed in that behalf.

21. Loans are liable to be recalled :—

(1) if after the grant of a loan the information obtained regarding the property, the charges thereon or the rights of disposal thereof is found to be incorrect

(2) if a loan is utilised for a purpose different from that for which it was granted,

(3) if the property on which it is secured has in the opinion of the Bank deteriorated in value and the borrower fails to furnish additional security to the satisfaction of the Bank,

(4) if on the death of the borrower or in the case of joint debtors on the death of any one of them his legal representative does not consent to continue as a Member,

(5) if for any other reason, the debtor or in the case of joint debtors any one of them ceases to be a Member,

(6) if the debtor makes default in the payment of any instalment on the due date.

22. If in any case not expressly provided for above, the Board of Directors consider that a debt is in danger, they shall recall the loan with the approval of the Registrar of Land Mortgage Banks.

23. When a loan recalled by the Board of Directors is not repaid within three months from the date of recall, the Directors shall apply for a foreclosure of the mortgage to the Registrar of Land Mortgage Banks who after notice to the defaulting debtor and necessary enquiry will have power to order such foreclosure. The Registrar may order distraint of movables in the case of short loans. These orders shall have the same effect and shall be executed in the same manner as if passed by a competent Civil Court.

24. Subject to bye-law 10 the Bank may raise loans from time to time by issue of debenture bonds bearing interest not exceeding 7 per cent per annum and liable to be redeemed at such period not exceeding 25 years as may be prescribed by the Bank.

25. Debenture bonds shall not be issued except with the previous sanction of the Government and they shall be in such form and contain such covenants and provisions as the Bank, may, with the previous sanction of Government, prescribe in this behalf.

26. The Bank shall draw for redemption by lot as many debenture bonds as its financial condition permits, or if the Bank deems it preferable, it may repurchase its bonds instead of drawing them by lot.

27. The Bank shall be at liberty to effect a reduction in the rate of interest payable on any series of debenture bonds provided that option is given to the holders of such bonds to accept payment in cash at par value.

28. The Government shall appoint a trustee whose duty shall be to see that the Bank fulfils its obligations to the debenture-holders. For this purpose, the Bank shall transfer to the trustee its rights in the mortgages on the security of which debentures are issued. The trustee shall have power to require the Bank to credit to an account opened in his name, in such Bank as may be approved for the purpose by the Government, all recoveries made from members of the Bank under any of the mortgages whether on redemption or upon sale under any power of sale applicable thereto. He shall also have the following powers:—

- (i) to invest or to require the Bank to invest the money at the credit of his account in his own name in any investment or deposit authorised by clauses (c) (l) and (7) of section 32 of the Mysore Co-operative Societies Regulation or in any other Securities approved by the Registrar of Land Mortgage Banks and to vary such investments at his discretion ;
- (ii) to require the Bank to redeem any or all of the debentures;
- (iii) to determine the method of redeeming any debentures before the expiry of the term for which they were issued ; and
- (iv) to proceed against the bank or the mortgagors whose mortgage deeds have been transferred to him or against both, in case of default of payment of moneys due to the debenture-holders.

The trustee can, at any time, be replaced by another trustee. a trustee so appointed shall, as the successor in interest of the trustee whom he replaces, inherit all his powers and rights.

29. The total value of debentures, actually in circulation at any time must not exceed the total value of the mortgage bonds and other assets assigned by the Bank to the trustee and held by him.

30. The administration of the Bank shall be vested in the following:—
- (1) Board of Directors.
 - (2) Board of Supervision; and
 - (3) The General body of the members of the Bank.

31. The ultimate authority in all matters relating to the administration of the Bank shall be the general body of the members who shall meet from time to time and at least once a year to conduct the work of the Bank. The following among other matters shall be dealt with by the general body :—

- (i) The election and removal of their representatives on the Board of Directors and the Board of Supervision.
- (ii) The annual report due to the Registrar of Land Mortgage Banks.
- (iii) The Registrar's annual audit order.
- (iv) The amendment or repeal of any existing bye-laws or the enactment of a new bye-law.
- (v) The expulsion of a member.
- (vi) The consideration of any complaint which any individual member may prefer against the Board of Directors or the Board of Supervision.
- (vii) The returns that may be prescribed by the Government.

32. A meeting of the general body of the members may be convened whenever necessary for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members or at the instance of the Registrar.

33. The Members of the Board of Directors and of the Board of Supervision will consist of Members of the Bank and representatives of Debenture Holders provided that the Government of His Highness the Maharaja of Mysore shall have the right to nominate two persons to the Board of Supervision and one to the Board of Directors, whether members of the Bank or representatives of Debenture Holders or other

34. The Board of Directors shall consist of seven members four of whom shall be elected by the Members, two will be representatives of Debenture Holders selected by Government and one will be nominated by the Government of Mysore, all the Members holding office for a period of two years.

35. The Board of Supervision shall consist of seven members three of whom shall be elected by the members, two will be representatives of Debenture Holders selected by Government and two will be nominated by the Government of Mysore, all the Members holding office for a period of three years.

36. The Board of Directors shall administer and conduct the affairs of the Bank, prepare and issue agreements, declarations etc., represent the Bank by one of its members selected for that purpose at all legal proceedings. It shall also appoint, control, and dismiss officials like book-keepers, cashiers, clerks, local agents, etc.

37. The Board of Supervision shall have general control and supervision over the affairs of the Bank. In particular it will—

- (1) cause the accounts of the Bank to be audited at least twice a year by two of its members.
- (2) present to the General Meeting a statement of accounts;
- (3) prepare all necessary subsidiary rules for the carrying out of these bye-laws;

- (4) settle the principles of land valuation ;
- (5) authorise the issue by the Board of Management of mortgage bonds subject to the provisions of bye-law 25 and
- (6) decide appeals against the decisions of the Board of Directors.

38. Without prejudice to the powers which may be vested in him by the Law for the time being in force the Registrar of Land Mortgage Banks will have power—

- (1) to require the summoning of a General Meeting
- (2) to be present at the proceedings of the General meeting as well as at the meetings of the Board of Management and the Board of Supervision ; and
- (3) to inspect the books and cash balance of the Bank at any time.
- (4) to summon any member or office bearer of a Bank for the purpose of an enquiry into the affairs of the Bank. For this purpose he will act as a Court.

39. The previous sanction of the Government will be necessary for—

- (1) the issue of debentures;
- (2) the conversion of one class of debentures into another class bearing a different rate of interest or
- (3) the investment of collections made out of loans given to Members in fresh loans to Members.

40. Deputy Commissioner of the District will have in respect of the affairs of the Bank the powers vested in the *Registrar* in Clauses 2 and 3 of bye-law 38.

41. The accounts of the Bank shall be audited at least once a year by a duly certified auditor or by an officer deputed by the Mysore Government.

42. All other matters concerning the organisation and the working of the Bank as well as the remuneration, if any, which the Board of Management, the Board of Supervision, the local agents and the auditors are to receive shall be fixed by Regulations to be framed by the Bank.

The Regulations shall require the approval of the Government of Mysore.

43. A Reserve Fund shall be formed by the Bank. To this shall be carried—

- (1) a sum not less than 10 per cent of the net profits of every year ;
- (2) the interest on the capital of this fund ;
- (3) amounts not claimed and
- (4) produce of drawn and expired mortgage bonds.
- (5) Any other fund which may be credited to the reserve fund by the general body of members.

Printed at
The Indian Daily Mail
24-26, Dalal Street, Fort, Bombay.
